

Public Accounts Committee
Parliament of New South Wales

**Report on the Purchasing Practices and
the Allocation of
Stores and Equipment Resources Within
the Technical and Further Education
System**

1986-87-88

Parliament of New South Wales

**Public Accounts Committee of the
Forty-eighth Parliament**

Thirty-ninth Report

Inquiry pursuant to Section 57 (1) of the Public Finance and Audit Act 1983, concerning the Purchasing Practices and the ALlocation of Stores and Equipment Resources Within the Technical and Further Education System.

(Transcripts of Evidence tabled together with this Report.)

February 1988

MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE

The members of the Public Accounts Committee are:

Mr John Murray, M.P., Chairman

John Murray, formerly a teacher, was elected Member for Drummoyne in April, 1982. An Alderman on Drummoyne Council for three terms, John Murray was Mayor of the Council for five years and served four years as Councillor on Sydney County Council. He is currently a member of the House Committee.

Dr Andrew Refshauge, M.P., Vice-Chairman

Andrew Refshauge was elected as Member for Marrickville in October, 1983. He previously practised as a medical practitioner with the Aboriginal Medical Service and was a past President of the Doctors' Reform Society. He is currently a fellow of the Senate of the University of Sydney.

Mr Colin Fisher, M.P.

Colin Fisher was elected Member for Upper Hunter in February, 1970. Former Minister for Local Government (1975) and Minister for Lands and Forests (1976), in opposition Colin Fisher has served as National Party Spokesman on Local Government, on Planning and Environment, and on Energy.

Mr Phillip Smiles, M.P.

Phillip Smiles was elected Member for Mosman in March, 1984. A management and marketing consultant since 1974, Phillip Smiles has been involved with entrepreneurial business activities since his teens. Since entering Parliament he has been actively interested in the areas of small business, emergency services, welfare and financial analysis.

Mr Allan Walsh, M.P.

Allan Walsh was elected Member for Maitland in September, 1981, Following eight years as a Mirage fighter pilot with the RAAF, he was involved in business management. Allan Walsh has also taught industrial relations, management and history at technical colleges.



Committee Members. From left: Andrew Refshauge (Vice Chairman), Phillip Smiles,
Colin Fisher, John Murray (Chairman), Allan Walsh

Secretariat

John Horder, LL.B., AASA CPA, Clerk to the Committee

Bronwyn Richardson, B.A.(Hons.), Dip. Ed., M.Comm.(Hons.), Senior Project Officer

Grahame Gibbs, B.Bus., Adviser on secondment from the Treasury

Tony Boulton, B.Ec.(Syd.) AASA, Adviser on secondment from the Auditor-General's Office

Sandra Brien, Secretary/Word Processor Operator

Maria Hagspiro, Secretary/Word Processor Operator

N.S.W. Public Accounts Committee

Parliament House

Macquarie Street

Sydney, N.S.W. 2000

Fax: (02) 230 2831

CHAIRMAN'S FOREWORD

This report follows a reference from the Minister for Education, Mr Rodney Cavalier, to examine and report on economies which could be made in relation to the purchasing practices and the allocation of stores and equipment resources within the NSW Technical and Further Education (TAFE) System.

The Stores and equipment budget is a sizeable \$62 million annually. This represents almost a third of the non salary TAFE budget.

The Committee's recommendations basically reflect a need for greater stringency in control over TAFE stores and equipment. It appeared to the Committee that the Department spent a great deal of time and effort in planning courses and maintaining course relevance for which they are to be commended. Unfortunately, long term management of equipment resources received a lower priority. This was evidenced by the lack of a Departmental register of assets and failure to plan for long term replacement of major assets. Finally, there was little aggregate information available on industry donations and assistance.

The Committee felt *that* the planning and evaluation of resources could be improved by the application of improved information systems and performance indicators.

In any large, decentralised organisation there is always a need to improve communications and TAFE is no exception. In respect of stores acquisitions there amounted to what could be termed a "paper war" between Colleges, Regions, Heads of School and Head Office. The lack of communication between Schools often resulted in duplication of equipment in Colleges. The Committee felt this could be overcome by engendering an "inter-collegiate ownership"

(i)

attitude towards stores and equipment. The Committee heard evidence that TAFE experienced difficulties in liaising with the Department of Government Supply and this invariably resulted in long delays in obtaining equipment.

On behalf of the Public Accounts Committee I would like to thank the Director-General of TAFE, Dr Allan Pattison, and all TAFE staff who provided their assistance and co-operation to the Committee. I also wish to thank the staff of TAFE in Western Australia and South Australia for their valuable assistance. Finally the Committee extends its thanks to the staff of the PAC Secretariat, particularly to Mr Grahame Gibbs for his excellent contributions to this inquiry.

JOHN MURRAY B.A., M.P.,
CHAIRMAN

(ii)

EXECUTIVE SUMMARY

The Public Accounts Committee received a reference from The Hon Rodney Cavalier, M.P., to "examine and report on any economic: which could be made in relation to purchasing practices and the allocation of stores and equipment resources within the Technical and Further Education System". This follows a recent Commonwealth decision to undertake a performance review of higher education which, it is understood, will affect the basis of Commonwealth funds distribution to the New South Wales Department of Technical and Further Education (TAFE).

Stores and equipment is a major item in the New South Wales TAFE budget. Stores and Capital Equipment expenditure is estimated to be some \$62 million in 1987/88 and this represents almost 33% of the non Salary TAFE Budget.

In the course of its Inquiry, the Committee visited several colleges in New South Wales, South Australia and Western Australia, conducted Public Hearings with the executive officers of TAFE in New South Wales, invited expressions of public comment through newspapers and wrote to all college Principals and Teachers' Federation representatives seeking their views.

The Committee found that control over stores and equipment, especially the asset registration system, was inadequate, that there were delays in responding to requests for equipment, and that there was apparently no long term plan for replacement of obsolete major items of equipment.

In summary, this Report recommends that TAFE evaluate and, if economically justified, implement a computerised asset control system; that performance indicators be established to measure the effectiveness of its plant and equipment objectives; and that stores and equipment procedures in each Head Of School's office be strengthened.

Furthermore, the Committee recommends the development of a long term plan to replace obsolete major equipment; the pooling of college resources; closer co-operation between TAFE and the Government Supply Department; and the inclusion of data on equipment donations from industry in the Management Information System.

REPORT ON PURCHASING PRACTICES AND THE ALLOCATION OF STORES AND
EQUIPMENT RESOURCES WITHIN THE TECHNICAL AND FURTHER EDUCATION
SYSTEM

CONTENTS

Page

Chairman's Foreword	(i)
Executive Summary	(iii)
1. Summary and Recommendations	1
2. Introduction	4
3. Background to the Department of TAFE	7
- Departmental Structure	
- Management	
- Finance	
- Strategic Goals	
4. The Asset Registration System	14
5. Procedures for Purchasing Stores and Equipment	17
- Current Procedures	
- Delegations to Purchase	
- Equipment Referees	
- Management	
- Government Supply Department	
6. Plant and Equipment Use	28
- Sharing Resources	
- Centralised Stores	
- Surplus Equipment	
7. Relationships with Industry	34

APPENDICES

1. Terms of Reference	40
2. Witnesses at Hearings	41
3. Departmental Organisation Chart	42
4. List of Schools	43
5. Transcripts of Evidence	44

Public Accounts Committee

1. SUMMARY AND RECOMMENDATIONS

- 1.1. The inquiry arose as a result of a reference from the Minister for Education, the Hon. R.M. Cavalier. The Minister requested that the Committee:

"examine and report on any economies which could be made in relation to purchasing practices and the allocation of stores and equipment resources within the Technical and Further Education System".

- 1.2. In the course of its inquiry, the Committee visited several colleges in New South Wales, South Australia and Western Australia, conducted Public Hearings with the executive officers of the Department of Technical and Further Education (TAFE), invited expressions of public comment through newspapers and wrote to all college Principals and Teachers' Federation representatives seeking their views.

- 1.3. Following a review of the information brought before it from all these sources the Committee makes the following recommendations:

Recommendation 1:

That the Department proceed expeditiously with an evaluation of a computerised asset control system..If Justified, such a system should conform with accepted plant and equipment control measures to enable effective and efficient use of stores and equipment;
(Page 16)

Recommendation 2:

That a set of performance indicators be established to measure the extent to which plant and equipment objectives are met, particularly in respect of overcoming delays in responding to equipment requisitions.; (Page 21)

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education System

Recommendation 3:

That an officer within each Head of School's office be assigned to co-ordinate all aspects of stores and equipment within their School. (Page 24)

Recommendation 4:

That a definite long term plan to replace ineffective, and obsolete major items of plant and equipment be developed through the formation of a Priorities Committee. (Page 25)

Recommendation 5:

That TAFE and the Government Supply Department establish a joint Taskforce to examine issues which may inhibit the efficient purchase of stores and equipment by TAFE. The Taskforce should report to the Public Accounts Committee within 12 months. (Page 27)

Recommendation 6:

That specific guidelines on the pooling and sharing of equipment be distributed to colleges in order to encourage and develop an attitude that equipment is an inter-collegiate responsibility. (Page 29)

Recommendation 7:

That TAFE develop a method for measuring the usage of equipment which would assist Principals in effectively and efficiently utilising resources. (Page 29)

Public Accounts Committee

Recommendation 8:

That TAFE rationalise its college store facilities and, where the physical and logistical circumstances are conducive to centralisation, that a centralised tool store be established. (Page 32)

Recommendation 9:

That TAFE examine the possibility of retaining funds raised through the sale of surplus plant and equipment and that a proportion of these funds be retained by the college for the purchase of equipment. (Page 33)

Recommendation 10:

That, in order to evaluate the achievement of its objectives concerning co-operative arrangements with industry and to ensure a more equitable distribution of resources, the Department:

- a) regularly review the level of industry contributions to TAFE, including a measure of the total financial impact of donations from industry, and
- b) prepare a list of TAFE initiatives which have been designed to establish closer relationships with Industry. (Page 39)

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

2. INTRODUCTION

- 2.1. Following the formation of the Commonwealth Department of Employment, Education and Training in 1987, the Minister (for that portfolio) the Hon. J. S. Dawkins M.P. indicated that there would be a review of the performance of higher education. It is understood that the basis of resource distribution (funds) will be affected.
- 2.2. With this background the N.S.W. Minister for Education, the Hon. Rodney Cavalier M.P. requested that the Public Accounts Committee "examine and report on any economies which could be made in relation to purchasing practices and the allocation of stores and equipment resources within the Technical and Further Education System".
- 2.3. Stores and equipment is a major item in the TAFE budget, as shown in Table 2.1. In 1987/88 Stores and Capital Equipment expenditure is estimated to be some \$62 million representing almost 33% of the non Salary TAFE Budget.
- 2.4. Public hearings, held at Parliament House on 3 December 1987 were attended by the Director General of TAFE, several of the Department's senior executive, and some Heads of Schools. A list of the eleven witnesses who gave evidence before the Committee is provided in Appendix 1.
- 2.5. The Committee visited several colleges including colleges in South Australia and Western Australia in order to get a first hand appreciation of issues.

Public Accounts Committee

- 2.6. College Principals and representatives from the Teacher Federation in each of the 102 Colleges were contacted and invited to submit their views to the Committee. Notices were placed in the following newspapers seeking expressions of interest:

Sydney Morning Herald

Daily Telegraph

Financial Review

The Australian

Newcastle Herald

Barrier News

Illawarra Mercury

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
 Technical and Further Education
 System

TABLE 2.1

TAFE CONSOLIDATED FUND EXPENDITURE

\$' 000

	Actual 1986/87		Estimate I :1.987/88
RECURRENT			
Salaries and other Employee Payments	332 641		375 024
Maintenance and Working Expenses (includes stores and equipment allocation)	71 313	(36,310)	83 263
Other Items	2 711		3 249
TOTAL RECURRENT EXPENDITURE	406 665		461 536
CAPITAL			
Buildings, etc	69 731		76 287
Equipment	20 368		25 814
TOTAL CAPITAL EXPENDITURE	90 099		102 101
TOTAL EXPENDITURE	496 764		563 637
Total Stores and Equipment	51 271		62 124
% of Total Expenditure	10.3		11.0
% of Total Non Salary Expenditure	31.2		32.9

SOURCE: 1987/88 NSW BUDGET PAPERS
 NO. 3. VOL. 1

Public Accounts Committee

3. BACKGROUND TO THE DEPARTMENT OF TAFE

DEPARTMENTAL STRUCTURE

Colleges

- 3.1. Financially the department is decentralised which allows for the distribution of stores and equipment funds at a college level. There are 102 colleges in the State grouped into 10 regions. With the exception of the metropolitan region, the principal of the central college in each region is the Regional Director. Regional Directors are involved in reviewing budget submissions for new equipment.
- 3.2. The Regional Director is responsible to the Director of Colleges for TAFE operations at all colleges within the region.
- 3.3. There is no Metropolitan Regional Director and colleges in the Metropolitan Region are co-ordinated by the Director of Colleges assisted by the Principal of Sydney Technical College. The Metropolitan Region is grouped into four sub-regions.

MANAGEMENT

- 3.4. TAFE administration is made up of 12 Directorates, including such areas as, Colleges, Schools, Finance, Planning, Information Systems, and Management Services. (See Appendix for Organisation Chart.)

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education System

- 3.5. The educational aspect of TAFE is organised around 25 Teaching Schools which are grouped into a number of faculties. The Director of Schools is responsible for this area. Heads of School are responsible for reviewing new course proposals and revising existing courses. Heads of School also play a major role in the review of equipment purchases.
- 3.6. Schools may be divided into several Divisions depending on the size of the School. (See Appendix 4 for a list of schools).

FINANCE

- 3.7. The Department of TAFE is funded jointly by the State and the Commonwealth. In 1986/87 the Department's total budget expenditure was \$496.8 million for recurrent and capital purposes, of this, \$125.4 million (about 25%) was funded by the Commonwealth, which included funds for employment schemes and Aboriginal Advancement.
- 3.8. Since 1964-65 the Commonwealth has provided grants towards current and capital costs based on the recommendations of the Commonwealth Tertiary Education Commission. However, with the creation of a new Commonwealth portfolio announced in the 1987/88 Budget, (that is, the Department of Employment, Education and Training), to co-ordinate all Commonwealth policies in those areas, new funding arrangements have been foreshadowed.

Public Accounts Committee

- 3.9. Other Commonwealth funds are provided under special programs including a program of grants directed towards items which introduce "new generation" equipment in line with existing equipment in use in industry. In some cases, Commonwealth funds can only be used for specific purposes and specific accounting documentation is required by the Commonwealth verifying that conditions have been met.
- 3.10. Table 3.1 shows the level of State funding compared with Commonwealth funding for three years for Stores and Equipment.
- 3.11. Commonwealth emphasis is on capital equipment while State funding meets any capital shortfall and the bulk of recurrent requirements.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
 Technical and Further Education
 System

TABLE 3.1

FUNDING FOR STORES AND EQUIPMENT

\$'000

	1985/86		1986/87		1987/88	
	ACTUAL		ACTUAL		ESTIMATE	
	CWTH	STATE	CWTH	STATE	CWTH	STATE
RECURRENT	4628	24046	4448	26455	4745	31565
CAPITAL	12174	7895	10702	9666	14715	11099
TOTAL	16802	31941	15150	36121	19460	42664
% of TOTAL	34.5	65.5	29.5	70.5	31.3	68.7

SOURCE: NSW DEPT OF TAFE

STRATEGIC GOALS

3.12. The Committee was pleased to note that the Department had developed a comprehensive Corporate Plan. This Plan (the Corporate Plan for TAFE in NSW), which was published in September 1983 includes under the heading "Strategic Goals -quality of educational provision" a section on Plant and Equipment which states the following goals:

Public Accounts Committee

To provide sufficient plant and equipment which meet the prescribed standards of quality and relevance to educational programs by:

developing co-operative arrangements with industry to give students the opportunity to gain first-hand practical experience on a wide range of modern equipment;

developing an inventory control system of plant and equipment;

evaluating the condition of existing plant and equipment;

planning for equipment acquisition, replacement and maintenance that matches the range and extent of future course provision;

establishing a set of priorities for the acquisition, deployment and redeployment of plant and equipment;

co-ordinating the acquisition of plant and equipment.

3.13. The statement of these objectives indicates that the Department has theoretically considered the relationship between its equipment resources and the way these resources are combined to meet education requirements. Unfortunately, it is difficult to reconcile these objectives with TAFE's current plant and equipment procedures.

3.14. The concept of "sufficient plant and equipment" is quite subjective. It would be reasonable to expect that the college concept of "sufficient" plant would vary from the Heads of School concept of "sufficient" and no doubt the Head Office executive would have a different view.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

3.16. Plant and equipment is to meet "prescribed standards of quality and relevance" but there is no indication of where these standards are prescribed or whether they are industry standards, educational standards or standards defined by financial constraints. The overall goal sounds admirable but there was little evidence of effective implementation.

3.16. The means of achieving this goal offered little interpretive assistance.

- i) There are no central policy guidelines for encouraging the development of "co-operative arrangements with industry". These arrangements seem to develop on an ad hoc basis by the initiative of teachers or principals or industry representatives. (See Chapter 7).
- ii) There are no central records kept of the number of students who have "the opportunity to gain first-hand practical experience" at industry locations. (See Chapter 7).
- iii) The Department has no centralised asset control; records of plant and equipment are maintained manually by colleges. This system is inadequate for providing the control and information required to meet objectives concerning evaluating the condition of equipment, planning for acquisitions, replacements and new courses and determining priorities. (See Chapter 4).
- iv) It would be expected that those charged with the responsibility of "co-ordinating the acquisition of plant and equipment" would have a global view of TAFE equipment resources and policies. From the

Public Accounts Committee

Committee's inquiries this was not the case. TAFE senior management received very little global information. When the Committee sought information on statewide data, the information was not readily available and there was always a need to specially ask each individual college rather than having the information provided as part of a regular management information system.

- 3.17. For these objectives to be achieved there needs to be more positive guidance given by TAFE senior management. This is not to say that financial delegations and responsibilities at college level should be rescinded. The benefits of decentralisation are clear. However, if there is to be any value in setting objectives there must be some mechanism for measuring the level of achievement and the ultimate responsibility for measuring this success or failure rests with the central decision makers.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

4. THE ASSET REGISTRATION SYSTEM

- 4.1. The Department currently employs a manual system of plant cards which are located at each College to record the acquisition, cost, and location of each item of equipment.
- 4.2. It is a requirement of the Treasurer's Direction under the Public Finance and Audit Act, that a record be maintained of all plant, machinery, motor vehicles, tools, furniture etc costing more than \$100 with a useful life of more than 3 years. (See Treasurer's Direction 460.04).
- 4.3. The Committee found that procedures for maintaining these plant cards varied from college to college. While some records were kept by Head teachers others were kept by the Registrar.
- 4.4. Head Office staff inspect the records annually to ensure that new items of equipment are correctly recorded. The requisition and plant order forms for new equipment purchased throughout the year in each college are physically compared with the file of plant cards. The Committee was pleased to learn that some colleges are using computers for this function.
- 4.5. The Department has recognised that the current manual system is not keeping up with college and departmental requirements, and a new computerised system is being developed. Manual systems are difficult to access by a number of users and they are more prone to human error.
- 4.6. The Development of this system has been in progress for over two years and has incorporated the views and experience of several of the larger colleges. The Committee considers that two years is a very long gestation period.

Public Accounts Committee

- 4.7. The ability of the plant card system to reflect the true state of a college's plant and stores inventory would depend largely on the diligence and availability of the college administration.
- 4.8. Because of decentralisation Head Office administration has very little idea of the total plant and equipment held by Colleges. When inquiries were made by the PAC (along these lines) it was indicated that each of the 102 colleges would need to be contacted to obtain this information.
- 4.9. The proposed new computerised system will enable:
- each college to have a complete up to date record of its stores and equipment.
 - each college to have its own stand alone system which can be accessed by Head Office for enquiries but will require input by College staff.
 - each item of plant to be identified by a "bar code" label, which will enable data to be entered by a light pen.
- 4.10. This system is envisaged as part of the overall Financial Records System which includes budgeting, asset and stores control, purchasing and general ledger.
- 4.11. The Department has indicated that delays have been caused by the lack of funding. The PAC recognises that many legitimate demands by other Departments are made for computer funding and that these requests have to be assessed in terms of the overall computer priorities and the extent to which funds are available.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

- 4.12. A copy of the TAFE submission to the Computer Funding Committee, which is responsible for the initial evaluation of all requests, was provided to the PAC.
- 4.13. The Committee noted that the submission put forward by the Department of TAFE lacked an economic evaluation and it was not surprising that it has taken 3 years to obtain the necessary funds. An amount of \$270,000 has been provided in 1987/88 for the development of a finance system which includes the asset system. The total cost of the system as at February 1986 was \$595,000.
- 4.14. The Committee considers that, in view of the total value of plant and equipment (\$62.1 million) the computerisation of plant records is essential if the Department is to use its resources effectively.

Recommendation 1

That the Department proceed expeditiously with an evaluation of a computerised asset control system. If Justified, such a system should conform with accepted plant and equipment control measures to enable effective and efficient use of stores and equipment.

Public Accounts Committee

5. PROCEDURES FOR PURCHASING STORES AND EQUIPMENT

- 5.1. The Committee examined the procedures for purchasing items of equipment. These include the process of obtaining funds and the physical acquisition of the items.

CURRENT PROCEDURES

- 5.2. At present, the following procedures for acquiring new equipment are generally adopted.
1. Requests for equipment at college level are co-ordinated by Principals and forwarded to the appropriate Head of School.
 2. Heads of School, and their staff, review the requests and return the lists to Principals with advice on the suitability of equipment, value for money, quality and durability of the items.
 3. Principals or Regional Directors review the requests and with the recommendation of the College Council a final list is sent to the Head of School.
 4. A distinction is made between items which can be purchased under a Government Stores Contract and those items for which no contract has been negotiated. If an item is not in contract a specification has to be prepared. specifications and Requisitions are written by Heads of School or their nominees.
 5. The final programs may be adjusted if Treasury advice of the final allocation varies from the preliminary figures indicated earlier in the year.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

6. All requisitions are referred to the Head Office Purchasing Branch which prepares a list of equipment sought by each college.
7. Where items are "in contract" the principal is able to take action immediately to purchase the item with little delay.
8. If the item is not in contract the Head of School (or nominee) has to prepare and submit a specification and requisition to the Purchasing Branch in Head Office. The specifications must be in accordance with NSW Government Purchasing Policy i.e. not too restrictive. Examples were given to the Committee where a Head of School wanted a particular item of equipment from a particular manufacturer. However, the Purchasing guidelines prohibited mentioning brand names and in such cases the specifications must be rewritten in more general terms.
9. The Government Supply Department has determined that items valued at \$6,000 or more are required to be referred to it in order to arrange the tendering procedure.
10. In the case of an item estimated to cost at say \$10,000, the Head of School's specification would be referred to the Government Supply Department which would prepare the tender forms and call for tenders. This process can take approximately two months.
11. The tenders are referred from Government Supply to TAFE where they are reviewed by the Requisitioning Officer - usually a Head of Division or Head of School. This process involves contacting suppliers and checking various aspects and conditions of supply. This process can take between four to six weeks.

Public Accounts Committee

12. The recommendation of the supplier is then referred back to the Government Supply Department for approval. If the item costs more than \$50,000 it requires the approval of the State Contracts Control Board, which, depending on the Board's agenda, can take about two weeks.
 13. When approval to purchase is obtained and approval is given for funds the Department can then place the order.
 14. On average it takes 10 to 12 weeks for items to be supplied, and sometimes longer if the equipment is imported.
- 5.3. An average of about 18 months elapses from the time the item is initially requested to the time it is delivered at the college. The planning process (points 1 to 5) takes about eight months, and the acquisition process (points 6 to 14) about 10 months.
- 5.4. This time frame may be acceptable for new course equipment as new courses also take some 18 months to be developed. However, where equipment for existing courses is concerned, the procedure seems unnecessarily lengthy.
- 5.5. The Committee understands that there are quite significant delays in the submission of some requisitions and specifications to Purchasing Branch (point 6). These delays appear to arise because of:
- i) the lack of a specific person to perform the stores related tasks within the office of each Head of School.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education System

- ii) Equipment requisitioning is considered to be of a lesser priority than activities such as course development, or staff recruitment for which the Head of School is also responsible.
- iii) Equipment specifications are delayed in order to take advantage of any new technological developments.
- iv) Considerable delay in the time taken by the Government Supply Department to deal with tenders (points 9 and 10).

5.6. The Committee recognises that the Government Supply Department is responsible for equipment in all Government Departments and that this involves a large volume of paperwork. The Department of TAFE indicated that it had approached the Government Supply Department concerning these delays, and to increase TAFE's delegated authority to enable it to invite tenders of up to \$10,000 in lieu of the existing \$6,000. The Department maintains that it could halve the average lead time in obtaining out of contract equipment from ten months to five months. Annually about \$0.5 million worth of equipment tenders fall in the \$6,000 to \$10,000 bracket. The Government Supply Department has not yet, responded to TAFE's request.

5.7. The Committee considers that the large array of TAFE's equipment which is "not in contract" warrants some special consideration being given by the Government Supply Department to increase TAFE's delegated authority to invite tenders. Furthermore, this level of delegation should be reviewed regularly (hi-annually) to ensure that the effect of cost increases is accounted for.

Public Accounts Committee

- 5.8. Any reduction in the lead time for equipment acquisition would be beneficial. The Committee is concerned that delays in placing orders for equipment may result in a higher cost to the Department.
- 5.9. A further benefit, which is just as important, is the effect that more timely equipment acquisition would have on teaching staff and students. The Committee was told of instances where equipment did not arrive until after the teacher ordering the equipment had left the college.
- 5.10. Teachers, who come to TAFE from industry backgrounds, are frustrated that there is so much "red tape" and "bureaucracy" involved in obtaining what they consider to be essential teaching equipment.

Recommendation 2

That a set of performance indicators be established to measure the extent to which plant and equipment objectives are met, particularly in respect of overcoming delays in responding to equipment requisitions.

DELEGATIONS TO PURCHASE

- 5.11. Principals/Regional Directors may acquire equipment "in contract" subject to their expenditure delegation, for example:

Principal Grade 1 College - \$50,000

Principal Grade 2 College - \$25,000

Principal Grade 3 College - \$10,000

Principal Grade 4 College - \$ 5,000

- 5.12. Notifications of such acquisitions should be forwarded to Head Office Purchasing Branch.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
 Technical and Further Education
 System

- 5.13. Acquisitions which are not in contract and or under Commonwealth funding arrangements are undertaken at Head of School level and Head Office Purchasing Branch level.
- 5.14. The following summary of the conditions under which the purchase of goods and services may be approved at College level is reproduced from a TAFE instruction manual "Requisitioning Procedures".

SUMMARY OF CONDITIONS UNDER WHICH THE PURCHASE OF GOODS AND SERVICES MAY BE APPROVED AT COLLEGE LEVEL

ALL COLLEGES	METROPOLITAN AND REGIONAL COLLEGES	REGIONAL COLLEGES
Authority to approve purchase of consumable materials IN STOCK at Government Stores or IN CONTRACT where total expenditure does not exceed the amount specified in the Principal's delegation.	Authority to invite and accept <u>telephone*</u> quotations for the purchase of consumable materials NOT IN CONTRACT to the value of \$500 per line of requisition.	Authority to invite and accept <u>written*</u> tenders for the purchase of consumable material NOT IN CONTRACT to the value of \$1,000 per line of requisition
ALL OTHER PURCHASE REQUISITIONS ARE REFERRED TO HEAD OFFICE FOR PROCESSING AND APPROVAL		

*NOTE Generally telephone quotations are for "one off" acquisitions. Written tenders are required for period contracts.

Public Accounts Committee

EQUIPMENT REFEREES

- 5.15. The Committee was impressed by the South Australian TAFE's objective to standardise and co-ordinate equipment acquisitions to ensure consistency of resources was maintained between colleges. This is done through 12 Equipment referees who are located throughout the State in colleges. The referees combine technical expertise with an educational background and are primarily involved in reviewing all aspects of equipment acquisitions, e.g. reviewing requests, preparing requisitions and specifications, acceptance testing of new equipment.
- 5.16. In NSW TAFE these responsibilities are undertaken by the Heads of School and their staff. The Committee considers that there would be merit in appointing someone in each Head of School office with responsibilities based on the Equipment Referee concept. The Head of School would continue to have overall responsibilities for reviewing equipment. The benefits of formalising the position are as follows:
- i) Provision of a focal point for monitoring equipment acquisitions and usage within each school;
 - ii) "Cross-fertilization" of equipment knowledge between schools. This would be of particular use where schools use similar types of equipment, e.g. lathes, computers;
 - iii) Heads of School would have resident "experts" with access to up to date information on latest technologies;
 - iv) Requisitions, specifications and tenders could be prepared and checked without being delayed by other Head of School activities.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

Recommendation 3

That an officer within each Head of School's office be assigned to co-ordinate all aspects of stores and equipment within their School.

MANAGEMENT

- 5.17. While it is common knowledge throughout TAFE that there are considerable delays in obtaining equipment there is no management mechanism to measure the extent of delays, the frequency with which they occur, or the reason for delays.
- 5.18. This type of information would provide a performance indicator towards achieving the Department's strategic goals for plant and equipment. (See Recommendation 2.)
- 5.19. The Committee is also concerned that there is no overall replacement plan for major items of equipment. This is particularly serious in older colleges where the equipment being used was originally installed when the college was built.
- 5.20. There needs to be a centralised approach to maintaining and replacing major assets. Principals do not have the financial resources to refit an entire workshop because this would probably absorb the total equipment allocation for the college and benefit only one school.
- 5.21. Instead, Principals are more likely to concentrate on spreading the allocation amongst all the schools by purchasing smaller items.
- 5.22. It is envisaged that a replacement plan could be effected through a centralised body with access to a pool of funds, specifically reserved for major items.

Public Accounts Committee

- 5.23. The Committee is aware of the increased strain the proposed program would place on TAFE funds, however, if the Department does not address this problem it could face major funding difficulties in the future when essential major equipment becomes unserviceable or unsafe.

Recommendation 4

That a definite long term plan to replace ineffective and obsolete major items of plant and equipment be developed through the formation of a Priorities Committee.

GOVERNMENT SUPPLY DEPARTMENT

- 5.24. There are several issues which involve the State Contracts Control Board. The Board is responsible for purchasing on behalf of New South Wales Government Departments and Authorities under the provisions of the Public Service (Stores and Services) Regulation 1984, of the Public Service Act 1979. The Board is serviced by the Government Supply Department which provides technical and administrative expertise.
- 5.25. A review of the State Contracts Control Board was considered to be outside this Report's Terms of Reference and the Committee has had no discussion with either the Board or the Government Supply Department.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

- 5.26. However, the Committee is concerned that, based on information provided by TAFE officers, there are certain State Contracts Control Board requirements which apparently result in inefficiencies in stores and equipment purchasing procedure. The following problems have been drawn to the Committee's attention:
- i) The need to obtain three quotes for all purchases which are not in contract and involve more than \$50.00 of expenditure. This requirement is specified in the Stores Regulations and provides a control mechanism to ensure that prices are competitive and favouritism is avoided.
 - ii) Officers in TAFE have estimated that the cost of obtaining three quotes and preparing the required paperwork is between \$60.00 to \$80.00 per order!
 - iii) It is understood that the Department is examining the possibility of using a local order book system whereby the college would have delegated authority to place orders up to say, \$500.00.
 - iv) It takes about 14 weeks to obtain "in contract" consumable stores through the Department of Government Supply. Colleges have overcome this problem by over ordering items, often 12 months in advance.
 - v) Overstocking is wasteful, it results in spoilage, pilferage and overcrowded storage facilities.
- 5.27. The inability of colleges to purchase items from suppliers other than which are under contract. This issue has been raised by country colleges who support their case as follows:

Public Accounts Committee

- i) materials in contract are not always the lowest cost items, particularly after allowing for freight charges;
- ii) local items can often be acquired sooner than waiting for contract supplies to arrive;
- iii) Colleges consider they should be supporting local industries by purchasing goods from them, where the items are of good quality and are competitively priced.

Recommendation 5

That TAFE and the Government Supply Department establish a joint Taskforce to examine issues which may inhibit the efficient purchase of stores and equipment by TAFE. The Taskforce should report to the Public Accounts Committee within 12 months.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

6. PLANT AND EQUIPMENT USE

- 6.1. At Colleges which the PAC visited, scarcity of funds was invariably raised as an issue. However, it is not within the Committee's Terms of Reference to comment on the level of funding provided for TAFE, as this is a matter of Government policy and there are various priorities to be considered.

SHARING RESOURCES

- 6.2. Considering the size and diversity of TAFE and the need to maximise the use of equipment it was surprising that there was little concern or effort devoted to ensuring that existing equipment was efficiently or effectively used. For example, when Head Teachers were asked about the possibility of sharing or borrowing equipment they stated that it was not common practice to pool equipment.
- 6.3. Many schools use similar equipment but there seemed to be a lack of liaison between schools to ensure that equipment acquisitions were not duplicated.
- 6.4. College plant records were not set up to facilitate pooling or sharing of resources. In fact it appeared to be discouraged in some cases. This protective attitude over equipment means that there is no communication at college level concerning the resources available. Inefficiency is thus inevitable.
- 6.5. This attitude does not appear to be as prominent in country or smaller colleges where the principal has a more intimate knowledge of college resources.

Public Accounts Committee

- 6.6. In 1984, colleges were given greater responsibility for deciding their equipment requirements should be. The college principal is now responsible for encouraging efficient use of equipment and ensuring that there is no unnecessary duplication.
- 6.7. It is considered that the computerised asset register proposed by the Department would assist in acquainting college staff with overall resources. It is essential that principals are aware of the following when assessing requests for equipment.
- i) total college equipment
 - ii) location of equipment
 - iii) serviceable state of equipment
 - iv) usage rates
- 6.8. This type of information would also be required when principals are asked if they have sufficient resources to introduce new courses.

Recommendation 6

That specific guidelines on the pooling and sharing of equipment be distributed to Colleges in order to encourage and develop an attitude that equipment is an inter-collegiate responsibility.

Recommendation 7

That TAFE develop a method for measuring the usage of equipment which would assist Principals in effectively and efficiently utilising resources.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

CENTRALISED STORES

- 6.9. Most colleges have two types of stores facility. The first is a central store which holds all the general stores required for the College. This serves as the delivery depot for all goods received by the college. The second type is a tool store which serves those courses such as mechanical fitting, welding, plumbing, carpentry etc.
- 6.10. All colleges have a single central store but the number of tool stores and storepersons per college depends on the following factors:
- the number of classes
 - the number of students
 - the type of course
 - the size and layout of the workshop/classroom
- 6.11. Storepersons are responsible for issuing stores and for the security, working order and sufficiency of the tools in store. They may also undertake minor maintenance and alert Head teachers to the need for equipment repairs. Teaching staff have no responsibility for stores.
- 6.12. Tools stores may service a number of classes depending on the age of the college. Newer colleges appear to be designed in such a way that access to a number of classrooms is improved.
- 6.13. The Committee observed that it was the practice in at least one other State to have a centralised tool store and a system of mobile trolleys to meet the tool requirements of classes across campus. Teachers were responsible for ensuring that the trolleys were returned to the central store fully stocked.

Public Accounts Committee

- 6.14. The Committee considers that there would be benefits in adopting a centralised tool store in some NSW Colleges. The Committee has observed instances where storepersons have apparently been idle. If this observation is representative of productivity in all colleges then there is gross inefficiency in the current system.
- 6.15. A centralised tool store would reduce the proportion of idle time and should promote economies of scale. Additionally, the number of storepersons required would be reduced, thereby reducing salaries expenditure.
- 6.16. The Committee recognises that there might be some practical limitations to the establishment of a central store. Firstly, physical access to all classes by mobile trolley may not be possible. e.g. stairs, the college campus may be spread over a large area. Secondly, savings on storeperson salaries would be offset by the additional cost in time of teaching staff obtaining and returning mobile store trolleys to the central store. Thirdly, demarcation disputes between stores and teaching staff could lead to industrial disputation. Duty statements would need to be flexible to cover the areas of demarcation. Finally, pilferage from tool trolleys is likely to increase. Teachers would need to assume the additional responsibility of ensuring that all tools are returned to the trolley.
- 6.17. While the proposal may not be suitable for all colleges in NSW the Committee considers that more efficient use of resources could be achieved in some colleges.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

Recommendation 8

That TAFE rationalise its college store facilities and, where the physical and logistical circumstances are conducive to centralisation, that a centralised tool store be established.

SURPLUS EQUIPMENT

- 6.18. As part of the annual equipment purchasing procedures, Principals are required to submit to Heads of School a list of surplus equipment. Heads of School then take action to either relocate equipment or dispose of unserviceable equipment.
- 6.19. Despite these measures, the Committee was aware that there appeared to be substantial amounts of unused equipment stored away and taking up valuable room in colleges.
- 6.20. It appears that Principals see surplus equipment as a fairly low priority. Disposal of surplus equipment involved ascertaining that it is in fact surplus and then completing a great deal of paperwork. It is simpler to store the item and forget about it.
- 6.21. It is considered that there would be substantial benefits if colleges were able to retain a proportion of revenue derived from the sale of surplus equipment provided it was used to purchase equipment.
- 6.22. The benefits of offering this incentive to surrender unused equipment are seen as:
 - (a) a more economically based approach to equipment maintenance and care. Equipment kept in good working order, although it may be educationally surplus, would have greater resale value;

Public Accounts Committee

- (b) providing an encouragement to surrender surplus equipment which occupies much needed floor space in colleges;
 - (c) providing an additional source of revenue direct to the college to enable acquisition of replacement or alternative equipment;
 - (d) encouraging equipment usage rates to be developed and monitored in order to make informed decisions about whether an item should be disposed of.
- 6.23. The Committee recognises that this proposal would initially require substantial administrative and accounting controls to be developed. However, the Treasurer's recent approval (January, 1988) enabling Departments to retain a proportion of the proceeds from the sale of assets, subject to certain conditions being met, should provide an impetus to the Department. (Refer Treasurer's Directions 469.08 to 469.10.)

Recommendation 9

TAFE examine the possibility of retaining funds raised through the sale of surplus plant and equipment and that a proportion of these funds be retained by the college for the purchase of equipment.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

7. RELATIONSHIPS WITH INDUSTRY

- 7.1. TAFE's emphasis on vocational education programs has resulted in a fairly close relationship with the industry and business sectors. This is particularly evident at the local college level. The Department sees this relationship as having an important input into developing and maintaining the relevance of TAFE education.
- 7.2. This concern by the Department is demonstrated by the inclusion of the following in its Corporate Plan.

"EDUCATIONAL PROGRAMS - TRADE TRAINING AND EDUCATION

To develop, in conjunction with apprenticeship authorities and employer and employee groups, improved co-operative programs for trade training and education.

QUALITY OF EDUCATION PROVISION - PLANT AND EQUIPMENT

To provide sufficient plant and equipment which meet the prescribed standards of quality and relevance to educational programs by developing co-operative arrangements with industry to give students the opportunity to gain first-hand practical experience on a wide range of modern equipment."

(FROM THE CORPORATE PLAN FOR TAFE IN NSW
SEPTEMBER 1983)

AREAS OF INVOLVEMENT

- 7.3. The Committee was aware that industry involvement in TAFE occurs in a number of areas:

Public Accounts Committee

i) Committee Involvement

Representatives from industry sit on a number of TAFE committees, the main representation occurring on the Academic Committees and the School Advisory Committees. The latter Committee, which also includes representatives from trade unions, professions and employer groups, provides advice on issues affecting TAFE course provision including developments in technology and industry.

ii) Course Involvement

Industries may approach local TAFE colleges requesting that the college run a specialised training course either on campus at an industry location. Alternatively the college may use industry facilities to run a particular course.

iii) Donations

Industries may donate equipment or supplies to the college.

Committee Involvement

- 7.4. The Committee supports the continued involvement of industry in TAFE decision making. Particularly to ensure that equipment acquisitions are keeping up with industrial technology and methods.

Course Involvement- Use of Industry Locations

- 7.5. One of the greatest threats to the relevance of TAFE is its ability to keep up with new technology. While it is recognised that in some courses the cost of providing up to

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

date equipment is relatively low, in others, eg. automotive engineering or computing, the cost is quite significant and technological change is rapid.

7.6. One way in which this cost can be defrayed is to allow students to view or use hi-tec equipment in industry locations. There are some problems associated with this, such as:

- i) students disrupting work flows;
- ii) safety issues;
- iii) risk of damage to equipment; and
- iv) transporting students.

7.7. But these problems are not insurmountable and the benefits in cost savings, improved course relevance and closer industry relations should not be neglected.

7.8. The Committee sought advice from TAFE on the extent to which colleges use industry locations for courses. However, owing to TAFE vacations the Department was unable to provide this advice. It is considered strange that this type of information is not systematically provided by colleges to enable the Department to monitor the effectiveness of its objective of giving students first hand experience.

Course Involvement- Specialised Training

7.9. From time to time Colleges are approached by local industries to run specialised training courses. Provided that the industry's requirements cannot be met through mainstream courses, the college would try to meet industry requirements

Public Accounts Committee

subject to the availability of resources. In these circumstances a fee is levied based on the cost of running the course and the fees are paid into Consolidated Fund receipts.

- 7.10. Although the college is reimbursed for the cost of running the course there is no profit involved, and therefore, no financial incentive to provide these courses.
- 7.11. Recently (December 1987) the Premier announced that the Government would establish a business arm of TAFE to enable it to market its courses, services and skills. The new entity would presumably be responsible for co-ordinating development and promoting courses for industry.
- 7.12. This initiative has been facilitated by the Commonwealth's decision to selectively relax the prohibition on charging of fees in TAFE. This relaxation relates to courses which are undertaken for the purpose of upgrading skills and income which are mainly at the request of industry.
- 7.13. It is anticipated that this endeavour will eventually be self-funding ie. not requiring the input of Government funds, thus enabling the entity to acquire and develop its own plant and equipment resources without depriving basic educational courses.

Industry Donations

- 7.14. Industries and businesses often support TAFE colleges by providing donations of equipment and consumable items eg.
 - Several motor vehicles have been provided on loan by leading manufacturers to the School of Automotive and Aircraft Engineering.

Report on Purchasing Practices and the Allocation of Stores and Equipment Resources within the
Technical and Further Education
System

- Substantial scientific equipment provided to the School of Biological Science
- The School of Graphic Arts has received several large items of plant valued at over \$200,000 each.

7.15. The advantages of these donations accrue to both the donor and donee.

- i) Students have access to equipment and materials at little or no cost,
- ii) The donor receives recognition and publicity
- iii) Students become familiar with using a particular brand of equipment or supply and this may influence decisions in later years if that student has to make decisions in a work environment about what type of equipment should be purchased.

7.16. The Committee is also aware of the disadvantage that colleges may be given outmoded or obsolete equipment which is unsuitable for training. In these cases colleges need to be able to discriminate between donations in a manner which would not prejudice future donations.

7.17. The Committee was surprised to learn that the Department keeps no central records on the extent of donations to colleges. A large metropolitan TAFE College provided an extensive list of donations which indicated that there are substantial donations being made by industries which if totalled Statewide would amount to many millions of dollars.

Public Accounts Committee

- 7.18. Colleges are required to record the stores equipment donations as they would any other acquisition. However, there has been no effort by the Department to ascertain how much industry support is given to the Department as a whole and how reliant TAFE is on the generosity of industries.
- 7.19. It is reasonable to assume that the donation of stores and equipment is not uniform throughout all colleges, colleges in industrial areas are more likely to receive assistance than other colleges. The Committee is concerned that since there is no management system which identifies the extent, value or location of donations, the Department is making uninformed decisions about the distribution of public funds and resources.
- 7.20. It is considered that the Department should establish a regular reporting system whereby colleges provide advice of all equipment donations. This could be done as part of the annual equipment purchasing procedure.
- 7.21. In reviewing the relationship between Industry and TAFE the Committee makes the following recommendations:

Recommendation 10

That, in order to evaluate the achievement of its objectives concerning co-operative arrangements with industry and to ensure a more equitable distribution of resources, the Department:

- a) regularly review the level of industry contributions to TAFE, including a measure of the total financial impact of donations from industry; and
- b) prepare a list of TAFE initiatives which have been designed to establish closer relationships with Industry.

The Chairman,
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY 2000

Dear Mr Murray

Could you please arrange for your Committee to examine and report on any economies which could be made in relation to purchasing practices and the allocation of stores and equipment resources within the Technical and Further Education system.

Should you require any assistance in your deliberations please do not hesitate to contact my office and I will arrange for the appropriate officers to be made available.

Kind regards,

RODNEY CAVALIER
MINISTER FOR EDUCATION.

NEW SOUTH WALES DEPARTMENT OF TECHNICAL AND FURTHER EDUCATION
WITNESSES AT PUBLIC HEARINGS HELD ON 3 DECEMBER, 1987

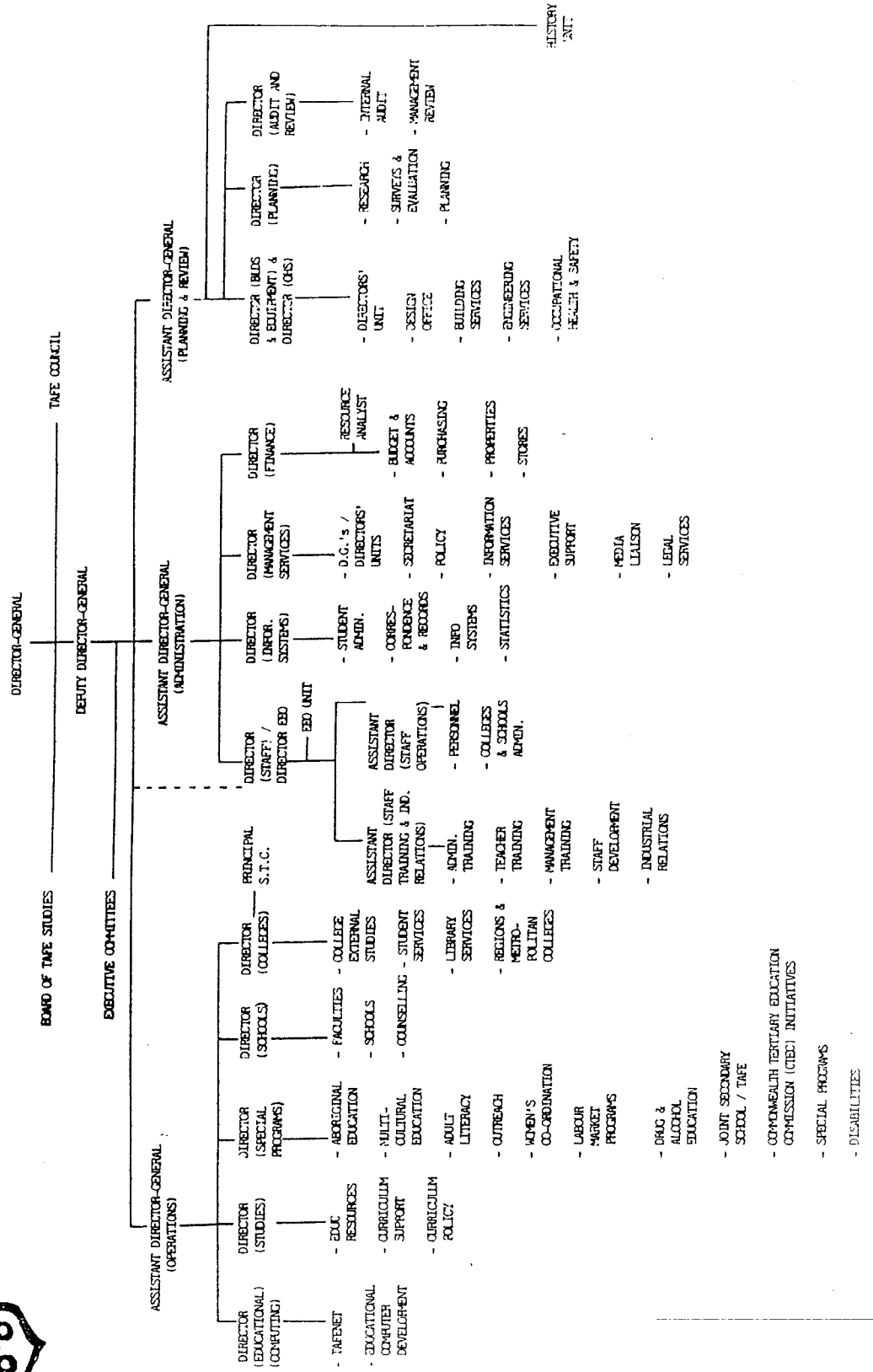
DR ALLAN PATTISON	DIRECTOR-GENERAL
MR JOHN WHITE	DEPUTY DIRECTOR-GENERAL
MR GREGORY WOODBURNE	ASSISTANT DIRECTOR - GENERAL, PLANNING AND REVIEW
MR JAMES McLAUHLAN	ASSISTANT DIRECTOR - GENERAL ADMINISTRATION
MR CRAIG STANBURY	DIRECTOR, FINANCE
MR WARWICK CLEARY	HEAD OF SCHOOL OF AUTOMOTIVE AND AIRCRAFT ENGINEERING TRADES
MR WILLIAM GALVIN	HEAD OF THE FOOD SCHOOL
MS MARION LAWRENCE	HEAD OF THE SCHOOL OF OFFICE ADMINISTRATION
MR PAUL EDWARDS	HEAD OF THE SCHOOL OF COMPUTING AND INFORMATION SYSTEMS
MR DONALD ENDERBY	DEAN OF THE FACULTY OF GENERAL AND COMMERCIAL STUDIES AND HEAD OF THE SCHOOL OF BUSINESS AND ADMINISTRATIVE STUDIES
MR HANK WAALKENS	HEAD OF THE SCHOOL OF ENGINEERING TRADES



NOVEMBER, 1987

DEPARTMENT OF TECHNICAL AND FURTHER EDUCATION

ORGANISATION CHART



TAFE TEACHING SCHOOLS

APPLIED ELECTRICITY

APPLIED SCIENCE

ART AND DESIGN

AUTOMOTIVE AND AIRCRAFT ENGINEERING TRADES BIOLOGICAL SCIENCES

BUILDING

BUSINESS AND ADMINISTRATIVE STUDIES

CIVIL ENGINEERING

COMPUTING AND INFORMATION SYSTEMS ELECTRICAL ENGINEERING

ENGINEERING TRADES

FASHION

FOOD

FOOTWEAR

GENERAL STUDIES

GRAPHIC ARTS

HAIRDRESSING

HOME SCIENCE

MECHANICAL ENGINEERING

NAVIGATION

PLUMBING AND SHEETMETAL

RURAL STUDIES

SECRETARIAL STUDIES

TEXTILES

VERICLE TRADES

MINUTES OF EVIDENCE

TAKEN BEFORE

THE PUBLIC ACCOUNTS COMMITTEE

At Sydney on Thursday, 3rd December, 1987

The Committee met at 9.40 a.m.

PRESENT

Mr J.H. MURRAY (Chairman)

Mr C.M. FISHER

Mr P.M.

SMILES

Dr A.J. REFSHAUGE

Mr A.P.

WALSH

ALLAN PATTISON, Director-General, New South Wales Department of Technical and Further Education, of [REDACTED]

JOHN LAWSON WHITE, Deputy Director-General, New South Wales Department of Technical and Further Education, of [REDACTED],

GREGORY JOHN WOODBURNE, Assistant Director-General, Planning and Review, New South Wales Department of Technical and Further Education, of [REDACTED]
[REDACTED], and

CRAIG RICHARD IAN STANBURY, Director, Finance, New South Wales Department of Technical and Further Education, of [REDACTED], sworn and examined:

JAMES McLAUHLAN, Assistant Director General, Administration, New South Wales Department of Technical and Further Education, of [REDACTED], affirmed and examined:

CHAIRMAN: Did you gentlemen receive a summons issued under my hand to attend before this Committee?---A. (All witnesses) Yes.

Q. At the outset I shall direct some general questions to allow you to give the Committee a general overview of the operations of the Department of Technical and Further Education. For a start, you might give us some background as to what you believe to be the objectives and operations of the department? ---A. (Dr Pattison) Clearly, our charter is the provision of vocational and technical education throughout New South Wales. In providing that, the department seeks to provide a range of educational programs linked to vocational work, either directly or in a preparatory way, or in post-basic vocational programs.

Those programs are offered in an operational sense through the college based network of some 102 colleges throughout New South Wales. Those colleges are located strategically to represent not only metropolitan interests but also rural interests, and what might be termed general regional interests. In broad terms the fields included in our programs cover a wide range and diversity of skills, including manufacturing, commerce, government and a number of general service sectors.

The programs that the department offers are available, in terms of student enrolments this year, to more than 400 000 students throughout the State in the 102 colleges. The organization of TAFE in presenting those programs must be concerned not only with the question of accessibility of educational programs but also the quality of educational programs. I would be happy to develop that matter further if you wish. I could also table a variety of literature that perhaps would help the members of the Committee.

Q. What sort of literature?---A. First of all, there is the corporate plan for the department, New South Wales TAFE handbooks, and I have other literature here which may be helpful.

Q. Do you present an annual report?---A. Yes, we have an annual report. I would be happy to table that as well. There is other material that might be of value to you, and there might be further discussion on it, relating to the accreditation of courses and capital planning processes available. I table those documents.

Q. The department has 102 colleges and almost half a million students. There must be a few problems. What are they?---A. I guess the problems could be grouped broadly under general headings. I guess the first group is people-type problems, in ensuring that the quality of educational provision meets with the needs of our customers, if I can call them customers. That is both directly from a student's point of view and from the point of view of people who might fall into the general category of employers or prospective employers of those students.

The sorts of problems we face there is ensuring the quality and relevance of the educational program. That is a major task when you consider the number of programs that are being offered. The work that needs to be done to ensure that that relevance is maintained is a very large activity and one which involves the synthesis of a wide range of different points of view, attitudes and interpretations of objectives. That is a very large people-type problem. Though it is not a problem that we shirk from, I believe it is a problem that requires a great deal of effort and activity.

Q. What about specific problems?---A. That always comes down to a lack of physical facilities such as buildings, equipment, a concern on the part of some communities.

Q. What is the problem with equipment?---A. The lack of it or an insufficient quantum. It could be said, for example, that we operate in colleges at the present time in which we have computing facilities throughout practically all of our college network now. There is a need and a demand for these sorts of activities which one might say are insatiable and which are very, very difficult to meet. So we might find a college committee or college management, students, the community, saying that we should have more computers in a particular college. Those are the sorts of problems we face.

Q. What about staff? Is there any problem in terms of a shortage of staff or an over-supply of staff?---A. Yes. Staffing is always a problems. Our total staff numbers, in terms of effective full-time staff, are approximately 13 000. Not all those positions are filled by full-time staff; many are filled by part-time experts who come and go. But, overall, a large organization such as TAFE with a very large, skilled work force, and with educational programs very often operating at the frontier of technological development, will always face difficulties in having appropriately qualified staff at the appropriate time and the appropriate place.

So, we find pockets of activity in particular where it is very difficult to get staff because often we are competing in the market-place for highly qualified people, using salary structures and levels of remuneration which just cannot compete with the market-place.

Q. A plumbing instructor would earn more in terms of wages than a plumbing tradesman, and an electrical instructor would have a higher salary than a tradesman under the electrical trades award, would they not?---A. By and large, I think that people employed in the trades outside of TAFE would earn more than those working inside the TAFE system. For example, it was reported to me that in the past twelve months we have lost a number of plumbing teachers - to use the example you put forward. Those men have left TAFE to return to industry, as I understand it and I must admit that this is secondhand information - being attracted by salary packages and one must look at the total package, not just the straight salary -that would be at least 30 per cent on top of their salary in TAFE. It would be something of that dimension.

Q. What is the nexus between the Ministry and TAFE in terms of decision making and policy?---A. The Ministry provides a medium whereby the Minister and I can communicate formally with each other. The Minister and I have direct communications, obviously, but a good number of policy issues in terms of the application of general government policy and ministerial policies to TAFE specifically come via the Ministry. The co-ordination of those issues and directives and interpretations on a portfolio-wide front is very much part of the activities of the Ministry. Major issues affecting items such as Aboriginal education, the development of programs for disadvantaged groups in the community, the location of colleges, the development of new programs in a fairly large global sense, come to us from the Minister and from the Ministry.

Q. What is the relationship between yourself and the Ministry of Industrial Relations and Employment?---A. There is no direct relationship although there are connections of importance. For example, in terms of the Apprenticeship Council, there is TAFE representation on that within the department, as there is for the other traineeship committee. The secretary of the department is a member of the State Council of TAFE, although there has been a gap there in the past few months because of some changes in that department. The connections are of that nature rather than any formal arrangement between the two departments.

Q. Is there any relationship between the department and the captains of industry?---A. Yes. We see a linkage between the department and industry as being a very important one and one in which a good deal of effort is made to develop and maintain. I am not sure about the reference to captains of industry.

Q. Decision makers within industry?---A. Yes. The sorts of connections work in numerous ways.

Q. Is there a formalized body?---A. I shall try to go through the formal part of it. It starts off with the State Council on which there are representatives of industry. There are also representatives of industry on a number of formal committees, including the Board of TAFE Studies. There are very close associations between industry and individual colleges through the college committee structure. There are linkages between TAFE and local industry leaders or representatives at the regional level through the regional councils; and I guess the most important linkage, though, comes through

the process of evaluating the worthwhileness and the quality of educational programs which comes through the process of course assessment and course evaluation, in which panels of experts from industry come together to evaluate the nature and content of individual courses.

Linked with that very much is a similar association between industry and individual teaching schools within TAFE. When you put all that together, that is a fairly large linkage into industry. On top of that, we do seek to maintain less formal contacts with industry in terms of ensuring that we have some understanding of what industry's views are. Sometimes that is through professional bodies, industry groups, through meetings with individual industry leaders. As an example of that, the department recently instituted a bicentennial appeal directed at the corporate sector to support some of the activities of TAFE as a bicentennial tribute to the work of TAFE. That has been very successful. On other fronts, a good number of industry people come and provide tangible support for the work of TAFE.

Q. There are a number of strata or layers of the administration. I shall go through each of these. Give us an idea of the responsibilities that occur at each of these levels of administration. You have dealt basically with the Ministry for Education. What is the role of head office?---A. The purpose of central administration is to provide central control.

Q. How many people would work at head office?---A. Head Office numbers should be seen as forming two groups, one a central administrative group and the other a services support group. When you put all those areas together there are 650.

Q. All the decision making eventually will have to come back to head office?---A. No. A good deal.

Q. There is delegation?---A. A good deal of decision-making is delegated to college management. Although the teaching service itself is a statewide teaching service, and while funds flow from Treasury through the head office structure, to individual colleges, there is a good deal of delegation at college level concerning the use of those resources. The accounting, as it were, for those resources - the credible use of those resources - takes place largely at the college level. We see the college principal and his or her staff being key elements in the management team of technical and further education. It would be wrong to have an impression that nothing happens in the field unless someone at head office, such as the Director-General, says to do one thing or another.

Q. What are the main areas of delegation?---A. That comes to financial control.

Q. Is there a limit where you can make decisions outside of head office, perhaps up to \$30007?---A. (Mr Stanbury)

There is a range of delegations. I presume you are talking about expenditure delegations. They vary according to the size of the college and according to the position - for instance, the regional director has a figure of \$50,000, I think. I am not too precise about that figure. Various regional directors and college principals have an expenditure of that order. That is not to gainsay the problems with not-in-contract purchases that they can approve expenditure for, up to that level, of whatever type it may be. That means they can have 100 part-time teachers. That might roll into hundreds of thousands of dollars worth. It is their responsibility to administer that, and pay. So there are expenditure delegations which are fairly broad and significant.

Q. What about equipment?---A. For equipment we are bound by the restrictions imposed by the Government Supply department. If things are in-contract they can go all the way up to that figure of possibly \$50,000, in certain cases, to buy things. On the other hand, if they are not in-contract there is a limit that is approved by Government Supply department, \$6,000 for major colleges and about \$4,000 for smaller ones for the calling of quotations, tenders and so on.

Q. How many regional offices are there?---A. (Dr Pattison) There are nine regions. The regional office acts as a central oversight of the use of resources within the region. It is a requirement of the regional office to co-ordinate the use of resources. By far the largest resources are human resources. It acts as a central focus throughout an area of regional interest. Generally, there is a basis of common interest throughout the region. That is not always

possible, but by and large there is a commonality of interest throughout the region. It serves to provide a focus for linkages to the community and to provide a direct linkage to head office and a direct linkage into individual colleges and to provide that co-ordination role and senior management role on a local basis.

Q. Would there be much involved with the staffing? ---A. It has an involvement in determining a view of the overall need and in determining, in part, not totally, a view of the appropriateness and the quality of that staff and the appropriateness of distribution of the staff throughout the area and, of course, to provide -

Q. What do you mean by appropriateness?---A. The fact that people have full programs, teaching programs, and that the programs being used are relevant to needs.

Q. Do they have a look at the five colleges, or whatever there may be, within their region, and tend to co-ordinate so that one college which has a class of seven and another college that has a class of five will be co-ordinated so that the class of five will go to the other college?---A. If that is physically possible, yes. That sort of role is part of their function.

Q. How many people do you find in a regional office? ---A. The regional director is also the principal of the major college in that area, so that is a double role that that officer plays.

Q. Does he receive a stipend for that?---A. I beg your pardon?

Q. Does he receive a stipend?---A. Yes. He or she has an increase in grade to the grade of a Level 1 principal, even though their rating, under other circumstances, might be grade 2 principal.

Q. Would the regional director be above a head of school?---A. In terms of salary income, some regional directors would be but others not. There are two levels of regional director and four levels of heads of school.

Q. Would you perceive there could be a conflict of interests between the head of a certain college also being the regional director. If I were the regional director of a college I would be looking after the interests of my college rather than those of other colleges in the region. I am thinking now of human nature.---A. There is a variety of answers possible for that question. The short answer is: sure, it is one of many problems that face senior administrators, but there is a requirement of that officer to meet that challenge in a very professional sort of way. I think I can say without doubt that all my regional directors do that.

Mr WALSH: Is that policy because of the economy?---A. It is certainly partly, but I would not want to put it all down to that. There are other factors and risks one would run in splitting the job. One is not only that one position, but the structure of the general administration where at a large central college there are facilities and skills available to you in the office type of administration, many of these functions become interwoven. It is just good management sense to have them interwoven in that way, to have people doing some

regional jobs, and some, part of their activities at college based jobs. Another aspect is that if indeed the regional director and his or her staff were divorced from the college that would be at a cost. It might be a cost that is worthwhile but in our judgment at this point of time it is not worthwhile. We believe we get more for our dollar and in terms of the quality of the provision by keeping those positions linked together.

This is not to say they have been subject to all the sorts of pressures you have inferred, Mr Chairman. They do get accused from time to time of favouring their college. Then they will be accused by their own college of favouring everybody else in order to demonstrate they are not favouring their college. These are the human nature parts of it. I would not deny that occurs. As I said before, I think they handle that in a very professional way.

Q. Let us look at the heads of school and their role. ---A. Running alongside the college network in the State there are 102 colleges and a network of twenty-five teaching schools. Those schools are agglomerations of interests and staff in general fields of vocational or preparatory educational interests. Those schools are headed by an officer with the title Head of School. By and large, those heads of school and the purpose of the school structure is to care for the quality of educational programs in technical and further education.

Q. Do they appoint staff?---A. They are very much involved in the selection of staff for the school even though that staff member might end up at a college away from the immediate locality.

Q. Are they involved in promotional procedures?---A. Yes, they are involved in the assessment of staff and their worthwhileness and the maintenance of their skills. They are involved in staff development programs in terms of maintenance of skills and the like. They are very much involved in the assessment of the need for a particular course or the continuation of an existing course. They are involved with the educational development of that course, bringing that course through a series of procedures described in some of the literature I have tabled to a point where it is placed before a Board of TAFE Studies who give it the stamp of approval or reject it.

Part of that involves the task of ensuring at the colleges at which that program is seen to be appropriate that there is adequate staff available, that there are adequate resources available in terms of special equipment, library resources, and the like.

Q. Are they given a budget to work to?---A. Not for those particular items. They do have budgets for various activities, such as providing resources for people to work on curriculum development, and the like.

Mr FISHER: Do they travel interstate or test the level of expertise in other States, or even overseas?---A. Yes.

Q. To ensure that they are maintaining a level in this State at least equal to, if not better than, others? ---A. The answer is, yes, Mr Fisher, they do. They are required to ensure the relevance and the quality of our programs. How they do that, again, is quite diverse. It involves some of those meeting with their equivalents in other States, visiting other States, seeing what goes on there. We do have a scheme which heads of schools can participate in in terms of overseas travel, known as Project Fellowship, which we use to ensure that people do get a perspective of our own programs against measures like overseas viewing, and the like.

I strongly support that, and also the provision of overseas experience in terms of staff exchange programs we have with other countries, and in fact the secondment of staff, again including some heads of schools, to other countries to help in the development of major programs in those countries.

All of those activities bring back skills and attitudes and perceptions that allow us all as senior officers, but not only senior officers in the department many teaching staff themselves have particular expertise to draw comparisons for our own value.

Q. How many would have gone overseas in the past two years?---A. With Project Fellowship? I would have to take that on notice, but something of the order of sixty a year, I guess.

CHAIRMAN: Sixty a year go overseas on a scholarship?---A. Yes; sometimes for quite short periods; sometimes as extensions of their leave where they make their own personal arrangements, where we assist them in making contact with a particular organization or group, or the like. I do not want to give the impression that there are sixty people a year dashing off for full-year leave and extensions. They are very short periods.

Mr WALSH: What is the funding source for Project Fellowship?---A. Project Fellowship is a special treasury budgetary item. Supplementing that sometimes are special government approvals; supplementing that again is sometimes industrial support; then, of course, the usual range of community-based organization support for travel for distinguished scholars, and the like. Would those details be mentioned in the annual report the budgetary allocations for extended trips?---A. (Mr Stanbury) Not in the budgetary allocation, no; that is dealing with our departmental finances. The funding that the Director-General was referring to is Special Commonwealth funding. There will be, no doubt, comment in there

about Project Fellowship, but not in our financial statements.

CHAIRMAN: Do the heads of school involve themselves in purchases of equipment and evaluation?---A. (Dr Pattison) Yes. If we look at the large elements of equipment in particular, or large numbers of small elements, where we are talking about major items, the head of school, or the appropriate head of school, is involved in that process in different sorts of ways. But, in broad terms, that process is one involving the head of school, or staff, in determining the appropriateness or otherwise of the equipment to the department's needs, again taking a statewide perspective of that need and to ensure that it meets the educational specification that is expected of it.

Q. Let us put a scenario. The principal has a \$50,000 upper limit on stores items, or if they are off-contract it is \$2,000 or \$6,000. With the \$2,000 purchase, could the principal go ahead and purchase that item without reference to the head of school?---A. (Mr Startbury) If you are talking about equipment, the answer is, no. Equipment purchases and we are talking about major equipment in that sense gets referred to heads of school for their advice on things that are in contract and not in contract.

Q. What happens if there is a conflict between the college that believes that the set of equipment worth \$4,000 is the type of equipment it needs and the head of school said, "No, on a statewide basis it is out of uniformity and we do not agree with it"? Could the principal go ahead and purchase it?---A. In my view, the principal could. He has

the authority to do that. He would be unwise to do it because of the follow-on effect for his future courses and his wider needs for the use of that equipment. Whilst I believe that technically the principal could, it is extremely unlikely that that would be the case.

Q. What role do TAFE college committees play?---A. (Dr Pattison) Their principal role is to act as a source of advice to college principals. They provide a medium, though, for community representation to have a say in the general role and development and culture, as it were, of the college, the role that that college should play in its community through the development of an appropriate educational mix, and they provide that advice to the principal.

In doing that, college committees work very often on a committee structure and that would vary from one college to another, but as a general drift that would include things such as care and maintenance of the physical plant, the fabric of the college, the grounds, development and general planning of the college, other committees on finance, other committees, or that committee perhaps, in terms of developing appropriate equipment needs; lists of appropriate equipment for the college, and their perspective of that.

Very often that will be done in consultation with staff members, again acting as something of a synthesis of a wide range of views and placing those views before the college principal or the college management, who then would use that information and those points of view in whatever way they thought proper.

Q. Do they receive funding on a yearly basis, or is it all honorary?---A. All honorary, other than the officers.

Q. They do not have a budget to service the secretariat?---A. No, the servicing is done by the college management, the college registrar and the college principal. The college office facilities would be used in support of the college committee. I think you would find that there are funds specifically extended by the college committee, but you would be talking generally of quite small sums of money.

Mr FISHER: Is there often any conflict between that committee and the principal, or is there any overinterference by the committee?---A. I think one would have to say that it is remarkably free of conflict, but conflicts do arise very infrequently.

Q. Is there a mechanism to resolve those conflicts? ---A. Yes, the Director-General.

CHAIRMAN: You do not go to arbitration?---A. Our own network tells us very often when there is a conflict, and that becomes either public or semi-public. I am very concerned that obviously no damage should be done in the community in terms of the standing that the college has in the eyes of the community and I move fairly quickly to try to reconcile any disagreements even if that involves some sort of arbitration or discussion providing a medium where people can express their views, trying to bring views together. Sometimes that is not possible, though, and time tends to heal many of their wounds as college principals get moved on or college committees change.

Mr FISHER: Is the decision to appoint members of that committee made at a local level entirely, or is it made at a regional level?---A. No, the procedure is that we advertise

those positions as they become available and ask for expressions of interest from people to nominate either themselves or others to that membership. That is a matter of public advertising. That comes back to us and we structure that information, put it in front of the Minister, who makes the decision as to the membership.

CHAIRMAN: Earlier on you outlined to the Committee the objectives of TAFE. What methodology is used to measure your performance against those objectives?---A. Again it is a very wide-ranging group of factors. The first is that we have general user support for the organization in terms of the growth of the organization if we cannot meet demand o we have fairly large numbers of student turnaways. So, in a general sense, we see that there is an increasing demand for the work that we have. On another side of things we see -

Q. Who is we?---A. Myself and my colleagues, through either individual perceptions or informal meetings amongst myself and my colleagues or in the formal phase through two very important groups within TAFE, both of which I preside over. One is the Policy, Planning and Review Committee of the organization and the Board of TAFE Studies and the third group, of course, in a more formal sense again, the Comprehensive Audit Committee of the department. I chair each of those committees.

In terms of general policy and the success of our policies and the worthwhileness of those policies, they are reviewed by a series of reporting processes that come before the Policy, Planning and Review Committee. We have in terms of the quality of our educational programs an accreditation process and a reaccreditation process, which is a most rigorous

one in terms of judging the quality of the actual curriculum material, and the like. Then we have, through the Comprehensive Audit Committee, a number of formal audit processes under way, ranging from the traditional internal audit type of activity through to program evaluation, and, though we have much still to do in this regard, the development of appropriate performance factors.

Part of our senior management structure is the position of Assistant Director-General, Planning and Review, and within that the directorate of planning, which handles many of these evaluation processes for us, where we have an evaluation branch that undertakes studies of the worthwhilehess of a range of our activities.

(Short adjournment)

CHAIRMAN: We were about to review accountability in terms of performance against objectives. About four members of the Committee wanted to ask some questions on this aspect but first I might ask Mr McLauchlan how the administration is evaluated? ---A. (Mr McLauchlan) This question may be directed also to the Assistant Director-General, Planning and Review, because within his functions not only lie the planning functions but also a new directorate of audit and review which is designed to take the traditional audit functions of internal audit and to add to them an efficiency and effectiveness component as well as a component of what we might term academic audit. I would certainly defer to him in terms of the nature and extent of that activity which, I believe, is a significant move by the department to monitor all of its activities. That includes, specifically, seven major evaluations ranging from teacher assessment to one that I am chairing, for example, on examination procedures, through to a further sixty self-evaluation programs across the department, from colleges to schools. That is the basis for that activity, quite apart from the external mechanisms of the Auditor-General and the Public Service Board audits and, of course, this Committee's activities.

Q. Let us just take that specific example that you gave. How are you going about evaluating the examination system?---A.The sequence is established, first of all, by identifying the Government's priorities in the program evaluation area as part of the State Government's overall thrust. We select those areas we believe will provide support for the Government's desire for reporting to the group set up by the Premier to assess management performance as a management performance group. The specific process of evaluation is that a brief is established

in terms of the program.

Q. Who establishes that brief?---A. Within the department.

Q. But who, though?---A. It is established on a consultative basis with the Assistant Director-General, Planning and Review, and, currently, the staff of the planning directorate, but it will be established with the Director of Audit and Review. The objectives of the programs and the extent to which they are performance indicators will determine whether the program is effective and efficient. A consultative committee is then established in the examinations area that covers a whole range of managers heads of school, principals, registrars, head office and so on. That consultative committee runs the evaluation and specifies the performance indicators to be used and the manner in which the assessment is to be made. It is supported by a project team and the report then comes through, in this case, the Director, Audit and Review, to the Assistant Director-General] Planning and then to the comprehensive audit committee which the Director-General referred to. These seven programs are referred to, the major programs and will all report by June next year. It is part of a five-year rolling plan which will continue within the department.

Q. How often has that committee met?---A. The examinations one had its first meeting yesterday. It will meet, I think, three times and possibly four times before June.

Q. Do you agree with what has been said, Mr Woodburne?---A. (Mr Woodburne) Yes. Might I just make the point that we are at a watershed and people should be clear that things are changing with the creation of the new directorate. That position

has only recently been advertised and hopefully will be filled this month. Directly under that position will be a management performance review function as well as the compliance auditing function. Clearly, we will have to meet government requirements in compliance auditing, and that goes on with our own internal audit unit and audits that occur through the Auditor-General. We also have to meet government requirements, as Mr McLauchlan pointed out, under the new program evaluation requirements of the Government by which, in a rolling five-year program, we have to review the major areas of the department's operations. The proposals for these evaluations have to be approved through the mechanism in which the Premier's Department is involved.

Above and beyond that we have continuous evaluation going on in a whole variety of ways. May I give two or three very brief examples? Obviously, our major evaluation concern really is with the quality and effectiveness of our teaching programs. It is a requirement that no program that leads to a formal award can exist for longer than five years without a major reassessment. That assessment looks not only at content but at recruitment requirements, qualifications of teachers, and so on.

That draws in, as Dr Pattison said earlier, a significant proportion of people outside who contribute and in the end sit as an independent panel that assesses all of those issues. That is ongoing. We have a further major program of evaluation going on for a variety of other things. For example, we recently completed the evaluation of a major new type of building we have been using called an access centre. That evaluation included within it the architect from public works who designed this building, our own staff who provided the brief, an expert from the Commonwealth Department of Housing who is an expert on post-occupancy and evaluations of buildings, the college principal, the staff who were involved in using that type of building; that particular type of building was looked at across a number of sites. Out of that evaluation came indications that basically the building was a great success. There were modifications and the Commonwealth has indicated its willingness to support those buildings.

We have just completed an evaluation of two libraries. Again, the fundamental issues were, as we have been spending a lot of money on library development in recent years, can we keep going back to the Commonwealth mainly and partly the State, and say the amount of money being spent has been justified. I might add that both of these are initiated by us. There are no requirements placed on us by anyone else. We have just completed an evaluation of our mobile teaching facilities, again something initiated by us, whereby we saw that we were very concerned obviously about the delivery of programs to isolated rural areas. We are concerned because

of the closure of spur lines of railway systems. We have provided in the past a service through mobile units and we want to make sure that that service is maintained and we are looking for the most appropriate ways of maintaining it. I do not have all this information in front of me but may I assure you there is a substantial continuous program of evaluation which simply goes on and covers a whole variety of things, things that we see as being of particular interest. That will now be dovetailed within that formal program of evaluation which we will agree with the Government.

Above and beyond that there are evaluations occurring that are imposed on us externally. For example, the Commonwealth Government over a number of years has asked for evaluation of teaching programs, facility use and so on. As a matter of fact, a number of years ago and I was not working with the department - I received a very substantial grant to look at the planning and design and commissioning of the major new college and this was the first time it had ever been done in this country. The department obviously in those circumstances supported that evaluation fully and the results of that were subsequently fed into the planning system.

Q. Thank you for an overview of that evaluation. We will come back and be more specific later on. Up until this stage what we have done is get an overview of how the system operates but we are more interested in the stores procurement and areas associated with that. As I understand it, there is as you indicated some Commonwealth funding coming through. How are these Commonwealth funds made available to TAFE for

stores and equipment acquisition?---A. (Dr Pattison) If I could perhaps lead into that and then ask Mr Stanbury to take it over, Commonwealth funding comes to us at that sort of level through I would think special project grants, grants that are directed to specific activities or projects sometimes on an ongoing basis, other times having a quite short time frame.

Q. For specific purpose grants?---A. Yes.

Q. Do you get a per capita grant?---A. No, other than through programs in traineeships which is, as it were, a fee for service type of grant, where we offer a program and this also applies to some pre-apprenticeship programs where we offer programs to students according to a particular activity and the funding for that comes on a per capita basis of so many thousands of dollars per student.

Q. You have mentioned that there is an ongoing evaluation which the Commonwealth requires for the expenditure of that money Could you explain briefly the procedure of processing college equipment requests and the allocation of both State and Commonwealth funds to colleges?---A. (Mr Stanbury) May I differentiate between the State and the Commonwealth because we have different timetables. The State is on a pure Commonwealth financial year basis and though the Commonwealth money comes to us through the State Treasury on a financial year we nevertheless have to account for it to the Commonwealth on a calendar year basis so we have two different timetables. On the State funded equipment program, and I will only highlight some of the steps as there are a great many, principals, for instance, at this time of the year are putting together lists to go

forward for the 1988-89 financial year. Principals draw up the lists in conjunction with the college committees on what they see as their needs for whatever programs they are aware of. They go to the heads of school who then go through those and evaluate them to see whether they are fitting in with their knowledge of the longer term plans and provide advice on the appropriateness and suitability of the equipment that is being sought. That goes back to the college with the head of schools' advice. The college in turn looks at the advice, then draws up what will be in contract and not in contract items, sends again when they have put things in priority order and where they believe they can draw the line because we have given them advice of a provisional allocation back to the heads of school again with their lists and the heads of school will vet that, send back the in contract list of items for the college to arrange the purchase and then on a central basis take over and amalgamate from all the colleges the not in contract equipment that they will handle on a bulk basis, They then get into the need for detailed specifications where their expertise comes in to prepare the specifications, the calling of tenders and evaluating the tenders when they come in. When that is done they advise the purchasing branch at head office to place the order and then those steps follow in getting the equipment. It is delivered to the colleges that are to get that equipment.

Q. They cannot go directly to the college from government stores; they have to go through a purchasing mechanism at head office?--A. For not in contract at this stage.

Q. In contract they can go direct to government stores?---A. In contract they can buy themselves because it is in contract. They use the mechanism established by government stores.

Q. What did you do when you had all those previous builders who had to come back again to the purchasing officer at head office for non contract items?---A. We have to issue a formal order and again, I believe for economy, we have a central purchasing branch rather than heads of schools who do not have purchasing officers lent to their particular school. It is just an administrative process once the decision has been taken on what to buy.

Mr SMILES: Is there some aggregation of those orders? ---A. Yes, that is where we get these economies.

Q. So the aggregation period, is that defined for the heads of schools and others at the colleges? Do they know if they want a particular set of training videos that there will be certain times in the year when they will be available to be called into the TAFE system?---A. In the instance you have given, the colleges would get them themselves because that is major equipment, major video equipment. If it is just videos, they buy them out of B4 stores. If you are talking about major equipment you then go back to is it in contract or is it not in contract which becomes the decision there. If it is not in contract, we go through the process I have just outlined and it would depend on the value of it. The department has from the government supply department delegations to go up to a certain level. If it is below that, we can handle the quotation and the tendering process ourselves and then it is a comparatively short period of time to actually purchase the item.

Dr REFSHAUGE: Can you give us some examples of what is not in contract and has been purchased recently?---A. I should think there would be a whole stack of things. There would be all sorts of things. If you wanted detail -

Q. I just want some example?-o-A. I should think any type of equipment if it is wanted probably by a large enough number of people to warrant government supply entering into a contract, then it would be in contract.

Q. I am thinking about things that are not in contract? ---A. I was trying to make the point if there does not appear to be that much demand throughout the service, then they probably would not bother to enter into a contract and you would deal with it as a one-off not in contract.

CHAIRMAN: Give us some examples?---A. It is difficult for me to pick on something. Certain types of lathes, presumably, would only be an unusual, special item. Some of the electronic equipment would not be used throughout the service, so the Government Supply department would not bother to draw up a special contract for that.

Q. There seems to be a lot of shuffling of paper involved. Let us go through it again. What is the mechanism. I am a teacher and I want a special type of lathe. What do i do? I requisition the principal, and he puts that to the college committee; the college committee assesses it and determines that it is within the paramaters of the needs of the college. Is that endorsed by the principal?---A. Yes.

Q. He then shuffles a bit of paper into head office? ---A. No. First of all, when you reach that stage it goes to the heads of school. There would be a great list of things from that college.

Q. It then goes to the heads of school, and the heads of school then collate that with other requests from other colleges?---A. There is another step. First of all, they go through all of these requests to see whether they fit the educational programs that are planned.

Q. Who is "they"?---A. The heads of school. The heads of school assess them. They provide advice on the appropriateness of the items requested. They give advice on whether they feel that somebody is asking for something that could better be provided in another way, that type of thing.

Q. That happens before it goes to the college council? ---A. No, the college council has already seen it before the principal submits the list.

Q. It has gone to the heads of school?---A. And then it goes back to the college.

Q. They assess it for appropriateness. They believe it is feasible to purchase the item and then it goes back to the college?---A. Yes.

Q. They assess it again in the light of the bids of the various departments within the school?---A. Within the college.

Q. It is then endorsed this time?---A. In effect it is endorsed, yes.

Q. Then it goes back to the heads of school?---A. It then goes back to the heads of school advising what the college will buy in-contract and not in-contract. They have a schedule of all of those.

Q. We are talking about the non-contract items at this stage. It goes back to the heads of school. Can the heads of school knock it on the head at that stage?---A. If it were an abnormal item that was wanted by a college, I would think the heads of school might have discussions with the college principal, saying that they believed that the request should be knocked on the head for all sorts of reasons.

Q. That would have happened beforehand, would it not? I thought that when it came back, they looked at the request and allied it to all the other requests made by other schools. When that was done they might find some incompatibility or that there were insufficient funds. In other words, the item could be deleted when it comes back the second time?---A. The college could delete it or the heads of school?

Q. The heads of school?---A. I do not believe the heads of school would.

Q. It is formally endorsed at that stage?---A. In effect, yes.

Q. The piece of paper then goes from there to where?---A. Then the heads of school amalgamate the needs for the different types of items of equipment from all the colleges and draw up a specification for the not in-contract equipment that is wanted. It is then sent to the Government Supply department for the purpose of tenders being called. The Government Supply department goes through the process of advertising and getting tenders in. When they are, the department draws up the list of successful tenderers and sends it back to the department - the heads of school are the ones who get it - to make a recommendation on the tenderers.

Q. Recommendation to whom?---A. In effect, back to Government Supply. If the amount is below \$45,000, I think we have authority, if we take the lowest tenderer, to --

Q. So it has gone to Government Supply and it puts it out to tender?---A. Yes.

Q. The tenders come back to Government Supply, and it then transfers it back to the head of the department to vet it again?---A. To make a recommendation on the tenderers. Normally you take the lowest tenderer unless there is very good reason for not doing so.

Q. Why could not Government Supply do that?---A. Again, because it considers that the heads of school have the expertise to determine whether what the tenderers have put in really meets all the requirements. They rely on the heads of school for that.

Q. Then it goes back to Government Supply and it is then put on the list. It is not purchased at that stage? ---A. No, at that stage it would not go on the in-contract list. All it does is give us formal approval actually to place an order.

Q. The bit of paper is then divided, one piece going back to Government Supply so that it knows what is happening and the other bit of paper goes back to the college giving approval to purchase the item?---A. No, we at head office make the purchase for them, not in-contract. They would get a copy of the order form.

Q. It then goes back to the heads of school, and then it is put through to your purchasing department?---A. In effect, yes.

Q. It goes ahead and purchases the item?---A. Yes.

Q. I have not missed any steps, have I?---A. No, you have not. We have to make sure we get our money's worth.

Dr REFSHAUGE: How long does it take from the decision being made locally at the college that it wants a particular item to the end of the whole process when the item is delivered at the college, provided there is no hold up in the manufacturer? ---A. It would vary, but from the time the head teacher requests the item and puts in the request, I would think it would probably take about twelve months to actually get the item. You understand about all the negotiation that takes place before the heads of school say to go ahead. From that point on it would probably take between three and eight months, depending on how rare the item is and where it can be obtained.

Q. if there has been basic agreement on the first process where the request goes from the college to the heads of school but the principal of the college says that the item is too expensive to be purchased this year, does the same process have to be followed the following year? Does it have to be assessed again or has it already been stamped as approved? In that case, if a college wanted to change its priorities and put off the purchase of an item until the following year, it could do so?---A. Colleges can change their priorities.

Q. Do they have to go through this initial approval process again?---A. The list is drawn up initially. Until that is included in the ordering, I do not know whether you could say that final approval has been given, because the toing and froing beforehand was to get the thing checked out by the heads of school as well as the college.

Q. Do you have to go through the toing and froing each time, or, if one process has been gone through, is it necessary to go through that process again?---A. I would have to confer on that. I am informed that the answer is yes, but the process is much shorter because you do not have to go through the detailed evaluation.

(Mr McLauchlan) Perhaps I could comment on this point. In answer to the question that has been put, some of the elements that have been described include the key components of stages that could not be missed in any case, starting from an assessment of needs, a budget bid, consideration of a budget, a budget allocation and then approval to purchase. Those are part of a cycle which runs over a forecast two year situation under Treasury regulations and Treasury requirements. A good deal of

what you heard described on a step-by-step basis involves those fundamentals of drawing together a budget, making sure that it is an effective budget, and that there is no duplication or overlap, and putting it into a cycle two years ahead. The budget bid to which the Director referred at various stages and which are coming through now apply not only to the next financial year but also the year after. What seems to be an extremely elongated process in some respects has underpinning it a number of key steps which must be taken over a significant period.

Q. How much was spent last financial year on out of contract store items - stores purchased centrally?---A. (Mr Stanbury) I could only give you a ballpark figure, as it were.

Q. Could you provide us with a detailed amount later? ---A. I am not sure whether we keep records of that. Upon conferring, apparently we could get that figure for you.

Q. What would be the size of it, roughly?---A. I believe it would be 40 per cent of \$6 million or \$7 million -say, \$2 million to \$3 million. I emphasize that that is the State program. I have not dealt with the Commonwealth program.

CHAIRMAN: Would the Commonwealth program be larger or smaller?---A. No, the program is similar in size.

Q. Would the Commonwealth follow the same mechanism? ---A. No, there is a more abbreviated one where heads of school do the evaluation. The Commonwealth is willing to fund what one might consider new generation equipment, special equipment. Advice is sought primarily from the heads of school. I believe there is some consultation with the colleges on their needs as well. You do not go through quite the same process; it is somewhat shorter.

Q. Could you supply the Committee with the procedures followed by the Commonwealth in the purchase of equipment?---A. The Committee has that. We have already provided the timetables involved in purchasing at both levels.

Mr SMILES: Mr McLauchlan, bearing in mind your comments following the outline given by Mr Stanbury of the process involved, as I heard it, only one person is involved in that fairly complex chain of events who has any input on the actual usefulness or appropriateness of the particular item requested. Is that so? Is that process designed so that items requested are assessed fundamentally on a financial basis when they go through the approval mechanism? Are we limited simply to the heads of school on one or perhaps two occasions assessing whether a particular piece of equipment is appropriate as a teaching aid?---A. (Mr McLauchlan) Again I take you back to the initial statement about where one starts in this process. The fundamental in this is the specification of the appropriate equipment in the accreditation process, which we circulated to the Committee. That starts the process off. Clearly it is a component that involves both heads of schools and principals. So, from the outset there is that involvement. My view of this process is that it is a refining process by which at various stages the heads of schools and the principals refine the initial set of equipment requirements.

Q. Is there an inherent danger that in this decision-making process, and given the diversity of courses and equipment needs associated with TAFE, really only one person, unless the principal by chance came from the school at some stage, has any likelihood of awareness of the appropriateness of the equipment being bought?---A. Perhaps my colleagues can

comment further on this, but from my eleven months experience in TAFE, there is in fact a whole group of staff involved precisely in this assessment - from the teacher, to the head teacher, to the senior head teacher, to the heads of division, the heads of branch. The Director-General did not detail the structure of the heads of school unit, that there are heads of division, heads of branch. Their expertise and their assessment is also involved in this exercise. In my experience the number of players is certainly quite significant from the time that someone perceives the need for a lathe of a particular type.

(Dr Pattison) A very important process is being ignored in all of this, and that is that there is in the course development process in the first instance the need for a particular type of equipment. The general nature of equipment, the general nature of facilities, is part of a significant process of development and evaluation as part of the educational program. What we are talking about in these processes is just zeroing in on the final step - that is of getting a piece of equipment that meets a fairly rigorous educational requirement that has been the subject of a great deal of review and evaluation.

This final step involves the seeking out within the department of appropriate levels of expertise. It would be the wrong impression to give that the head of school carries all of that expertise. That is not the process. When we speak of heads of school, we speak of the heads of school unit or the immediate staff of the head of school. Someone from within the college sector might be called in to help in the evaluation of the equipment.

Q. As elsewhere in Australia there is provision for a relatively senior teacher but not necessarily, as we would understand, the head of school - to be assigned the task of equipment overviewer, equipment supervisor, equipment evaluator. That prompts me to ask the question: in terms of the input of expertise do you think your system provides enough checks and balances in the assessment and the ultimate acquisition, not in terms of finance but in terms of appropriateness? Or would it be better, aside from the head of school, to have a senior experienced teacher, at whatever level in each subject area, where equipment, such as we are talking about, might be acquired, as the representative for the State to overview the acquisition?--

-A. I think that in many ways is the sort of system that works. The head of school, in terms of evaluating equipment in a particular field or activity, would, within the best of his or her capacity, draw on the skills available to him. That might indeed be his immediate staff; it might be a member of his extended staff back into the colleges.

Q. I accept that for the diligent, and I am sure most, heads of school. However, from my personal experience with TAFE there have been occasions where I would not be confident that a particular head of school would tap into that process. What check is there in the mechanism we have had described to us to satisfy my concerns and those of serving teachers? ---A. The ultimate responsibility rests with the head of school. There is an expectation that the head of school will comply with those requirements. If the implication is that an inappropriate piece of equipment has been purchased,

presumably that would become apparent with time. But I fail to see how that would significantly be the case, having in mind the requirements that the school must work to in general course development and mixes of courses and the like.

That is not to say that there will not be disagreement about equipment and facilities. We will always have that. There will be one point of view that says, "I would not use that sort of equipment; I believe this sort of equipment is more appropriate". They are the facts of life and the sorts of realities we have to live with.

Q. Given the review mechanism and the nine months to twelve months associated with the outline of things we have discussed in the past few moments, what is the situation in integrating that with decisions on curriculum? Are we looking at a situation where, as in the old days, it took anything up to two years to get a curriculum change considered through to approval for implementation? Are we looking at up to two years now for such a review, followed by up to twelve months to acquire the equipment to satisfy the change in curriculum? ---A. The curriculum changes have certainly been speeded up from what was apparently your own experience. I would certainly not want to give the impression that curriculum changes are zap-like or can be done with just a day's notice or so. But what we are talking about in terms of the formal structures of curriculum change are significant changes. There are changes going on all the time on a day-by-day basis. There are local interpretations to syllabuses and curriculum and the like; that is a normal expectation of professional

teachers. But if one is speaking of significant changes, I would think that our new course accreditation procedures have dragged it back from two years.

Q. To what?---A. From six months to twelve months. I think it is fair to say that a good number of courses now come to us within a six-month time frame; but again I would not want to give the impression that they all do. In some of them very complex issues are involved. On the question of the lead time for equipment in that framework, there is still a facility for heads of school and their professional staff to make professional judgments on the appropriateness or otherwise of equipment. In terms of the most modern equipment, the most effective equipment, and the most appropriate equipment, that is certainly not being spelt out in detail in curriculum development material. But being able to make those judgments about equipment relevant to the educational objectives of the course - the most appropriate equipment relative to those educational objectives will change, sometimes very rapidly but sometimes not too rapidly. It is sometimes a very slow change. So the time base, I think, in that sense of taking it from curriculum development to purchase time, is not as critical as might be imagined.

Q. Is there now an opportunity through the process of curriculum change when the basic parameters are set down, as so often happens in the earlier part of curriculum reassessment, to ascertain where you are going in a broad definition, and the latter part is the fine-tuning? Following the decision on the broad change, is there an

opportunity before the fine-tuning is finished for some of the process that we have heard outlined to be implemented, so that the lead time between finality of the published new curriculum and the acquisition of stores to satisfy that curriculum is reduced?---A. I think so. I think you will find that very often we know where we are going in broad terms with curriculum, so we will find that the equipment acquisition processes are started in advance anyway. They tend to overlap and blur in terms of that scheduling. That is particularly true of major items of equipment.

Q. Mr Stanbury, we talked about the process on the assumption that it was a cash purchase in the year of accounting. In the process you have outlined, is there an opportunity for a decision to be taken on leasing, renting, or hiring, as opposed to a straight cash purchase? ---A. (Mr Stanbury) There is an opportunity. Generally speaking, when a proposal comes up, there is an opportunity to consider that. We find that the cost involved to purchase is of the order of two years' leasing. So if the equipment is to be wanted for a reasonable period of time, it is just not worthwhile. It happens more, in fact, on the Commonwealth special purpose programs where they want a particular thing done. It may have a very short life expectancy. In those instances we would be wanting to pursue the lease. They would want to pursue the lease because it is half the cost of buying, as it were.

Q. When will that decision be made? At the tendering process or some other time?---A. I would expect to see it

beforehand. For the reasons I have outlined, we rarely see it. Occasionally it comes up as a policy matter and the question is raised, "Should we be looking at leasing in a particular area?" We look into it and find the situation I have outlined. Consequently we rarely see a head of school putting up a proposal to lease instead of buy. That is, if you like, departmental policy.

CHAIRMAN: The Committee will pursue that matter a little further this afternoon with heads of school, but I want to direct a question to you before we leave that topic. You have given information to the Committee that you have been monitoring the performance of TAFE. I am wondering if you monitored the performance in the purchasing of equipment, as we have seen today, and, more importantly, looked at that as a performance measurement in terms of time? ---
A. (Mr Woodburne) To the best of my knowledge we have not conducted evaluation research such as that.

Q. Would it be worthwhile?---A. Behind the issue of creating the new directorate is the aim that there will be management reviews, and key areas will be identified. May I make one very brief comment? I think it needs to be understood that in the course assessment process, from which the majority of equipment purchases will flow, there are other people involved in the assessment of equipment. In the first place you have an expert committee together to devise the course. The committee is drawn up of teachers and not just the heads of school. When the course itself is created, the equipment appropriate to that course is specified. That list of equipment will be assessed by the

external committee with which a significant number of people from industry are involved. In a sense there is endorsement already from industry of the appropriateness of the equipment.

Q. So you have a register of endorsed equipment?---A. There is an endorsement of the course which includes not only the content, the delivery and so on, but includes the proposed equipment.

Q. If you are purchasing equipment for that course, why would you then have to seek accreditation through the council, from the council to the principal, and from the principal back to the heads of school? Why would you have to go through all that mechanism when it has already been undertaken?---A. Fundamentally a lot of the items we are talking about are small items that are supplementary to courses which are being run. They have not necessarily gone through that process - they may be short courses. Or they may be things that have been seen to be local needs.

(Dr Pattison) There is another element in that which should not be lost sight of. There are a variety of functions caught up together in all of that. The return certainly involves questions of priority. Does a priority of view one year about a piece of equipment stand steady in the light of new information and new needs? I think some part at least of this process involves that. It is not just a matter of whether a particular brand name or piece of equipment was wanted, or whether it is the most appropriate viz-a-viz other pieces of equipment, but where does that now stand in the ranking of priorities for the college? If we are to have an annual appraisal or reappraisal of priorities, it must go back to the college management. How all that is

handled, whether at committee level or whether at college principal level or what, is very much a local decision.

I would not want it thought that the whole process is gone through again. What we are seeking is simply, in terms of returning: Is this still your view? do you still hold this view?

I think that is a reasonable request to ask of college management. We often they might change their minds, and we should know that.

Mr WALSH: At what stage do you resolve potential conflict or duplication between schools with equipment? Even though it may not have happened at this stage, one school might want one computer for its course and another might have a similar need. At what stage is that duplication rationalized?---A. My judgment is that that would particularly involve college management. As to the appropriateness of duplication within a college structure, that is very much a local management decision.

Q. For new courses, can you explain how the process works? Is there liaison between heads of schools to make sure there is no duplication and that they are not all purchasing similar items?---A. (Dr Pattison) Part of our structure is the process of faculties. We have not had reference to that. There are four faculties which are clusters of schools. Part of their function is to have an integrated view of their activities. Generally, the sort of problem you touch on is where, at the interface between schools

CHAIRMAN: They are outside the college, are they?---A. Yes But they are giving us that overall view of equipment purchases or the provision of facilities. When it comes down to an actual clash of one unit in a college which wants a piece of

equipment, and which amounts to a duplication of another piece of equipment, that is a matter which needs in the first instance to be resolved at the college level. The way that is done will vary from college to college. In some of the very big colleges there will be an appropriate interfacing group to look at this. That might involve staff. It might involve college committee people. Eventually it sheets home to the college principal to have to make that decision. If that decision is made the easy way or what might be seen as the easy way it might be seen to be simply duplicated, we will not worry about the costs. But if it were done that way the head of schools would provide a further check in that process. There would be our own director of colleges programs, who would be another check in that process. But you will indeed find duplication. Duplication of itself is not wrong. It is the utilization question that would be the most important aspect of that. So one might find similar sorts of facilities in different schools, each though with high utilization rates which would be a factor known best to college management and his staff.

Q. Just for one moment talking about the delegation level. We have seen delegation levels at colleges. What about regions? Is there a different delegation at regional college level?---A. (Mr Stanbury) Financial delegation?

Q. Yes.---A. Yes.

Q. What is the level?---A. As I mentioned before, I think the regional director would be about \$50,000.

Q. That is not for all principals?---A. No.

Q. What is it usually?---A. That would depend on the grade of the college.

(Mr McLauchlan) I suggest that we provide you with this material as supplementary information.

Q. Does head office have any delegation?---A. (Mr Stanbury) The Director-General, \$200,000; the Assistant Director-General, \$100,000, I think. I believe I have \$75,000.

Q. You do not exercise that?---A. I do.

Mr FISHER: In your report, Dr Pattison, you said that you spent \$50 million last year on new equipment. Will you please describe the asset register system in use at present?

Throughout the whole of your 102 colleges you must have an enormous volume of equipment.

Can you explain to the Committee the asset register system?---A. (Dr Pattison) I would defer to more detailed knowledge from my colleagues except to say that it is college based. Each college is required to provide its own register of equipment.

(Mr Stanbury) As the Director-General has outlined, the registers are kept at each individual college. At present they are still a manual record. We have been developing a computerized record for some time and in the next few months we hope that will be ready for implementation. Each college is responsible when an item of equipment comes in, and we are still bound by the public service regulations in this regard. Anything more than \$100 has to be entered in that register. The register is available to local colleges. When we wish to know at head office something about some equipment, or we want

information, we have to call for it at present.

Q. You say it is about to be computerized. What is the estimated cost of computerizing that register?---A. I do not have a precise figure but it is part of an administrative system that will enable a number of things, including the financial management system, which will administer records at colleges as well as the asset control. I cannot give you a figure for the cost of implementing it. I can tell you that part of the procedure is to affix bar-coded labels to each item of equipment. We are looking at something in the order of 200 000 items for those labels. You will appreciate there is an awful lot of equipment out there.

Q. Dr Pattison mentioned, a little while ago, the importance of utilization. While your asset register is college based, what procedure is there to ensure that any equipment which may be underutilized in one area is relocated to an area which may well be short?---A. Part of the annual process I outlined previously on the equipment-ordering program to give it that description - is that one of the first things that has to be done is for an evaluation to be made of what is in a college that is in the situation outlined, where it is not being used or effectively used. One must ask whether it should or could be relocated and whether it should be disposed of. That is one of the first evaluation to be undertaken before a principal says he wants the equipment.

Mr WALSH: Is that a formalized process, where there is a questionnaire for each school?---A. Yes. It is again on the list of events that has been handed over previously. You will find in that the steps that must be taken.

Mr FISHER: In terms of equipment that is showing considerable wear, what is the normal principle adopted by TAFE to replace equipment?---A. I do not have, or I am not aware of, a particular yardstick. I think what you mean is that if it costs much to repair that, it would be better to throw it away. That would be a matter for the college to assess whether the priority for replacing that item of equipment was higher than for other things where they do not have pieces of equipment. Obviously, I would be concerned if we were spending a lot of money keeping something going, rather than replacing it and throwing good money after bad. It has to be a judgment at the college as to whether they are spending \$100 a year or \$1,000 a year to replace a \$10,000 piece of equipment. It would have to be a judgment on their part.

(Dr Pattison) Also, as part of the course accreditation process the heads of schools and principals are brought into that process as to the adequacy of equipment needs for the running of particular courses. That happens on a cyclical turn-around basis under the new procedure, which is five years. If a piece of equipment existed in a college that was necessary for a particular course but was unnecessary because it was worn out, that matter would be identified at that time if not before. It might well have been identified.

Q. It must be very difficult to keep up with advanced technology in respect of your day-to-day material? The typewriters coming on to the market now are much different to earlier ones. Is there some principle you adopt in trying to maintain all colleges at least having some equipment of a more

advanced type?---A. The maintenance and the technological status of colleges, equipment and stock, is a major task. TAFE never says it is at the cutting edge of technology all the time. I would suggest that any educational establishment which suggests that would be stretching matters. You can get the cutting edge of technology today and yet be out of date to some extent by tomorrow. That is the sort of problem that an organization like TAFE has. There comes a point where the technology being used, or the facilities available in TAFE, are no longer being used in industry. We change our technology. Our great difficulty is that it is never one or the other. The process of technological change is evolutionary. One finds some industries having the sophisticated pneumatically controlled machine tools at one extreme and there will be still some machine shops in New South Wales with hand manually adjusted machine tools. In fact, if we change to the more advanced pneumatically controlled tools universally in TAFE we would still be not producing people who could handle tools which are not so advanced. We have a broad spectrum of technological skills. One will find a wide range of technologies in TAFE. What we are trying to do is give it more and more of a nudge towards the high technology end, cutting off the low technology end. That is a matter of judgment that relates to local needs very often. It is a judgment by industry as to what its needs are. It comes back to our linkages with industry. It comes back to the advice we get from industry as to the development of our courses and the equipment necessary to finish those courses. A very large element in all that is the ability of government to meet the costs involved.

Q. The decision to initiate courses is generally made on a regional basis; what would be the major factors taken into consideration in deciding which courses would be implemented and initiated in a region?--A. This is assuming there is a view in the State that certain courses should be run. Those decisions are made centrally. They are heads of schools' roles. They perceive a need on the basis of advice from industry for certain sorts of courses. How an individual region or an individual college then puts together a program mix - a mix of different courses - is a fairly complex process ranging from the original planning that goes into the establishment of a college. If we are talking about a new college or a new facility in a college our planning people conduct surveys, make local assessments of need. We bring that material together. If we are able to provide the resources according to a strategy that might be developed as part of that process we move to introduce courses, or a course, at a particular college. It is a fairly complex research project.

Q. Does private industry assist TAFE or become involved to any extent in assisting TAFE?---A. Yes. I consider TAFE to be very fortunate in terms of its industry linkages, not only in terms of all the employer inputs that industry makes to the ongoing work of TAFE, and the like. Just putting that to one side, in terms of the actual contribution in physical terms, it is very significant. Let me perhaps give a few examples.

Quite recently a large computer company came to us and gave to TAFE some \$2 million worth of equipment and software for the establishment at the leading edge of technology of a computer aided design, computer aided manufacturing system. That has been installed and is operating as a major component within the general surrounds of Newcastle technical college. Industry has also come to us recently in terms of the establishment of a computer integrated manufacturing unit within Sydney college, which, in round terms, is \$500,000 worth of facilities.

They are some of the highlights, but industry support can range from that level of co-operation and participation down to generous but perhaps more mundane sorts of support facilities for our food schools, sets of tools, from time to time. For example, at Padstow college in our aircraft maintenance facility, Qantas has been most generous in its support of that in a lot of small ways rather than the large and spectacular ways I spoke of earlier.

Q. As an example, you recently centralized your courses in mining at Kurri Kurri. How much of that equipment necessary was provided by the mining industry?---A. I could not tell you that offhand. I could not give you a dollar

value on it. I think again it would be fair to say, and I would hazard a guess, but I emphasize it is a guess, something like 20 per cent of the laboratory-type equipment would have been donated by industry.

CHAIRMAN: We shall ask you to be more precise and you can send that information back to the Committee.

Mr FISHER: You spent \$50 million of taxpayers' funds last year. Overall, what would be your estimate of the assistance that would have been provided to TAFE from outside sources? Would it be 10 per cent or 20 per cent?---A. No, I would not think so. We would not have records of that in detail. Much of the industry support, of course, takes place at a local college level. Local colleges would have a feel for it.

Very often, of course, even the local support might go unnoticed at a college management level because it is taking place in relationship between one operating unit at a college and its own industry. But I am fairly confident in saying that industry support for TAFB must be of the order of \$1 million a year.

CHAIRMAN: One million dollars or one billion dollars?---A. One million dollars. I have not got to that stage.

Mr FISHER: We talked earlier about outmoded equipment. What is the normal procedure for disposal of equipment that the college or region considers to be outmoded and disposable? ---A. My interpretation of that, very quickly, is that it follows public service regulations, which are that equipment that might still be judged to have some life should be

disposed of through some form of tendering process, or the like. Other equipment, such as furniture, would go back into a central depository, and other disposals would be made via scrap processes. My colleague Mr Stanbury might be able to describe that.

(Mr Stanbury) Again we have provided details of the regulations we are bound by when wishing to dispose of a piece of equipment.

CHAIRMAN: Are they followed, though?---A. To the best of my knowledge.

Dr REFSHAUGE: Do you have provision to trade in equipment on new equipment?---A. Again, I would have to take that on notice to be precise about it. I am not aware of it.

Q. You are not aware that it occurs?---A. No.

(Mr McLauchlan) In 1986 there were thirty internal audit assessments for colleges throughout the department, which covered precisely the question you are raising: are they being followed? In addition to that, there were four colleges reviewed by the Auditor-General and some eight systems, some of which were touching on precisely the issues you have covered. I think we can be reasonably confident that the procedures are being followed.

Q. What are the results of those audits, though?---A. In general, no major indication of significant departure from the regulations or the procedures.

Mr WALSH: Is that an annual audit? You get round to all the colleges once every three years approximately? ---A. That is the attempt that is made. The audits range from one day to twenty-eight days in individual colleges.

CHAIRMAN: You would not do much in one day?---A. (Dr Pattison) If it is a grade 4 college out in Boggabilla you could do quite a bit in one day.

Q. But by the time you have your lunch and find out where it is?---A. Our auditors do work long, hard hours.

Dr REFSHAUGE: With a green pen?---A. I do not think they even use green pens these days. Can I come back to the trade-in question. I just would not dismiss it by saying that we have no trade-in practice.

CHAIRMAN: I do not think you are allowed to trade-in under the regulations?---A. No, but I think one would see that there are equipment enhancements, and these sorts of things take place. When one is looking at the total price, there is, in a sense, a credit given for the life of existing equipment, and that sort of thing. Some of that equipment might be re-vamped or enhanced in some way.

I think that applies particularly to fairly sophisticated computer-type equipment. We can see that there is a sense of the credit being given for the value of existing facilities.

Mr WALSH: Earlier on you mentioned the importance of the Policy, Planning and Review Committee. I think you chair that Committee?---A. Yes.

Q. Is that made up of all full-time TAFE officers or do you have council people on it also?--A. I see what you mean. It involves only departmental officers.

Q. Also you mentioned the significance and importance of industry to TAFE and highlighted some of its involvement and contributions. Do you have at the peak level of your organization any formal liaison with peak industry councils, such as the Metal Trades Industry Association, and from the

employee side the Trades and Labor Council?---A. Those two organizations you mentioned in fact are specifically represented on the State council of TAFE.

Q. I know they are represented, and I think that is the involvement of industry formally, which seems to be on the basis of representation at various council levels, but do you have a formalized meeting, say, with the MTIA and the Trades and Labor Council?---A. No.

Q. Would you see any value in the formalization of those meetings?---A. My first reaction is, not particularly. I think the value comes more in terms of dealing with those organizations on an issues basis arrangement. For example, we have had ongoing discussions with officers of those bodies for, say, this past twelve months in relation to the new Metal Trades Industry Award, which is a child of both of those organizations, and the consequences of which have obvious effects into TAFE in terms of the program training arrangements that are being negotiated there now.

So we see the need to establish close relationships with the organizations around issues such as that rather than going to some extent through the formality of meeting formally with those organizations. I have no doubt, though, that we can say that the relationships between those organizations and TAFE are reasonably good.

Q. The Commonwealth in its May 1987 statement made it clear that it wished to seek greater industry involvement in TAFE. If you did not formalize your relationship with those big organizations, how do you see that desire of the Commonwealth Government being fulfilled in New South Wales? ---A. I hold the view that the Commonwealth requirements

have been formed, at least in some part, in ignorance of what goes on in New South Wales. TAFE's involvement with industry in New South Wales is very significant. I cannot over-emphasize the importance that we place on it and the effort and the work that we put into maintaining it.

The vast majority of that effort goes into the development and the maintenance of our educational program. That is what we are all about. We are educationalists, and that is where our effort will be put primarily. In respect of that, our course review panels, which are made up completely of people from industry, our school advisory committees, our formal committee structures, such as the State council and Board of TAFE Studies, with the involvement of industry, our informal connections with industry, are all directed towards that end.

Recently, with the approval of the Minister, I have established an industry liaison group, or unit, within the department, and members of that group, when it is finally established, will help us develop stronger links with industry.

Q. Do you see them going out as salesmen or proselytizers? ---A. They will be mobile educators, yes. There will be a sense of letting industry know what we are doing and letting us know what industry expects of us. I take the point that a criticism of the formal arrangements between organizations like ours and industry often is: what is industry? How do you get a representative of industry? How do you get an industry view? It is a very difficult and elusive concept.

Where the formal structures allow you to develop good working relationships with individuals who have, as it were, a fairly limited interest in and experience of some part of industry, you can draw a lot from that person, but in doing that sometimes you miss the macroview. It is very much in that regard that I am concerned that this industry liaison unit should work, should be seeking a more macroview. I believe, at least in part, that will meet some of the objectives of the Commonwealth Government in terms of its current statement.

Q. I know you have not received formal approval for the unit to operate but how do you see it operating? Will it be regionally based or head office based?---A. Initially it will be located here in the metropolitan area. It is my wish that it not be located at head office. The present planning is that it will be located in Parramatta but I would not like to be held to that specifically.

Q. How many officers?---A. Initially I see it to be three officers.

Q. Undoubtedly you are aware of the conclusions of the May 1986 report of the review of TAFE funding, that there is a need for considerable restructuring of Commonwealth grants for TAFE. The Commonwealth has given notice that restructuring will occur next year, the new infrastructure program for capital grants gives priority to projects for industry and involving industry contribution. In addition, the Commonwealth is withholding a portion of assistance for proposals involving purchase and contributions from industry. How successful will TAFE be in bidding for these funds?---A. We are bidding on a number of fronts at the present time. We have already been successful in attracting part of those funds in terms of special computing facilities, CAM facilities for our skills centre in plastics attached to Bankstown college. That works skills centre is established, operated and staffed by TAFE, fully equipped by industry. So, it is a straight team effort between TAFE and industry. The special computing facilities that we wanted for that have been funded from that special fund you referred to.

We are working on a number of other projects which we are reasonably confident will be successful. In terms of the

overall policies of Commonwealth funding for calendar 1988, we believe that our negotiations to this point have met all of the conditions of the Commonwealth. We are confident that there is a regard and a respect had by the Commonwealth for our activities in these matters which will lead certainly to no lessening of the funding coming to New South Wales in the coming year.

I think one would have to say in that regard, though, that the ground rules might shift a little bit in calendar 1989. I would think by that time people would have their ideas more firmly established and whether or not we are able or willing to meet those requirements will depend on a number of things, a good number of which will be the enunciations and principles of the Commonwealth. Until they become clearer, I do not think any of us is in a position to commit our organization that far down the line.

Q. Industry seems to include government departments and statutory authorities. What is the scope for public sector contribution in assisting bids?---A. in terms of general support do you mean?

Q. Yes?---A. Well, we have a good working relationship with some government instrumentalities. One that comes to mind at present is the Building Services Corporation who have actively supported us financially in the provision of equipment to some schools.

CHAIRMAN: I might say, that was a recommendation from this committee's earlier report?---A. Might I, on behalf of our organization, thank you and your colleagues most sincerely for that. We are presently negotiating for higher levels of support. I hope it will receive the support of your Committee.

Q. We found a little nest egg there and we suggested that is where it could be used?---A. Right. In fact, I am meeting with members of the corporation tomorrow on a couple of fairly major support projects for some of our work. I think some of the major employers such as the railways, the Water Board and the like regularly assist us with projects of one sort or another.

Mr WALSH: That is with equipment also?---A. I just cannot recall any. It has been pointed out to me that secondment of staff is an important issue, where we bring in expertise from outside.

Q. But you do not openly canvass resources or equipment from other departments or statutory authorities?---A. No, we have not to this point.

CHAIRMAN: They would only off load their rubbish on to you, would they not?---A. I am sure they would not want to.

Mr FISHER: What about Elcom?---A. Elcom is a very large employer and in terms of the working relationships with organizations like that, in terms of special programs we put on for them, many of those support activities take place at the college level. Someone like myself tends not to see those. One, and the name of the organization just evades me at the moment -

Mr WALSH: You are not thinking of the Hunter Valley plant operators' school?---A. No. But I know we did something for someone just recently and they were just so pleased with what we did for them they donated to the college a computer. That is going on fairly regularly and I learned of that just by accident.

Q. Might I ask Mr White a question? I know you had some involvement in the establishment of the plant operators' school in the Hunter Valley and I know initially it borrowed extensively from other departments - the Public Works Department was one. Do you think there is potential for utilization of other departmental resources?---A. (Mr White) Yes. If you are referring to the period when I was in Newcastle certainly there was some close co-operation between Elcom and TAFE and also with the establishment of the Hunter Valley Plant Operators' Training School. TAFE was involved in the planning of that organization and now, of course, has taken over the basic funding of that organization. Yes, I would say quite categorically yes to your question.

Q. Can you suggest a method by which it could be formally approached or looked at by TAFE?---A. (Dr Pattison) I might have missed the thread of that discussion but there is an area of very significant support we get from other government departments and instrumentalities. That is in the area of accommodation. For example, the Department of Education is a very strong supporter of ours in terms of access to its facilities after hours. We use a good number of facilities of the Department of Youth and Community Services, kitchens and general facilities. All of that is done basically at no charge, so it is a very significant contribution.

CHAIRMAN: The bottom line is do you think you have explored that area of co-operation with government departments and statutory authorities and the utilization of their equipment to the fullest degree or has it not been a priority for you?---A. I have been answering the questions on the basis of what they have physically given to us. If we are talking about

the pursuit of joint use of facilities, and the like, that becomes a different question.

Mr WALSH: I used the word canvassing other departments for the potential use of resources, as happened in the Hunter Valley with the plant operators. I know TAFE did not initiate that scheme?---A. Again, on a local college basis a great deal of that goes on. In terms of an official approach to these organizations, no, we have not done a lot.

CHAIRMAN: Do you see problems with local colleges going out on a scatter gun system and liaising with private enterprise or statutory authorities?---A. Not really. It requires some co-ordination. That is done on a regional basis, I think. It is very important, and I cannot over emphasize it, that local colleges have a sense of clear identity and relationship with their local communities. There is not a better way of doing that than seeking their tangible support. But one must not, in this line of discussion, lose sight of the fact that by and large industry does not like groups of students clamouring over and using production facilities. I think that is a pretty reasonable concern that industry has. There is a certain ring to it that is attractive but in fact it is a very difficult concept. That is not to say that strong ties and assistance and demonstrations and those sorts of facilities cannot be used. For example, up until recently in Newcastle I know we were using a foundry in an industrial facility because our own foundry was inadequate. Those sorts of things are going on on a fairly regular basis. If that were co-ordinated in a large way I am not sure we would make much progress.

What we have done is to initiate this year the concept of TAFE approaching the corporate sector for funds. We put it in the bicentennial context. It is my policy that that sort of approach will continue into the future, that we approach that whole exercise with the clear understanding that this was our testing the water, seeing how we were going, what are the sorts of problems we have, what are the sorts of skills we need to put together to make that successful. I have every confidence we will see that as an ongoing part of our activities in future.

Q. Mr Walsh has a real commitment to a closer liaison between industry and TAFE. I am wondering whether or not that will work. That is the background of our questions?---A. Right.

Mr WALSH: Another part of the background is, as I mentioned in my preamble, the Commonwealth reserved some funds for capital assistance for this State's TAFE colleges that demonstrated industry involvement in courses or courses related to industry?---A. Part of my specific charter to several of my officers is to identify ways and means of New South Wales TAFE getting its hands on that money.

Q. I am suggesting it is possible to look at statutory authorities and departments so we can get a contribution from them?---A. I have no problem with the definition of industry including government departments.

Q. The new Commonwealth assistance program for general recurrent funding changes the administrative arrangements, enabling TAFE colleges to make better use of entrepreneurial efforts. Were previous restrictions only related to fee charging? ---A. No. My financial advisers can be more specific on this but my understanding is that all funds raised by the college involving use by the college of resources and facilities of the college

would be seen as general revenue that had to be returned to Treasury. That is not to say that there are not some activities going on in college environs, say, by student associations or some trading activities within colleges relative to the provision of services, that that might not be the case. But, it has been a matter of some concern to me, of course, the issue you touch upon, and that is our inability to provide an entrepreneurial environment for individual colleges and for the department as a whole. One of the key elements of the entrepreneurial spectrum being some financial incentive, either corporately or individually. We are some considerable way down the track to providing answers to that and it has been my wish that the department should establish what I would call at this point - but do not hold me to this as an ongoing title -a trading corporation; certainly to give TAFE the opportunity to trade and to compete in the market-place in the provisions of many of its services generally and for that to be adequately established with funds in the first instance and for it to be required to operate profitably in a normal trading sort of arrangement.

Discussions in relation to that with Treasury and the like are well advanced. I would think early in the new year we will be making some formal announcement in relation to that. It is early days yet but it is certainly our objective to provide an arrangement whereby the effort and the energy and enthusiasm that goes into those sorts of activities can at least in part be retained in the working area that is involved.

Q. What sort of time scale are you looking at for that corporation's implementation?---A.
Perhaps I could defer to Mr McLauchlan.

Q. What initiatives do you envisage the college having in entrepreneurial activities?---A.
Our field is education and the area we do best at is in the field of education and training. There are lots of commercial activities taking place in the community at the present time in training and I could only imagine that a good deal of our activities would be to provide fee for service courses for industry and the like. We have other areas of activities that we can incorporate into that, a research facility, an advisory service facility, a curriculum development facility and an administrative sort of facility, in terms of advice to other organizations, both here in Australia and overseas and the like. The organization of TAFE incorporates colleges. Some of those initiatives for these sorts of activities will come through my office and some of the initiatives will come through the individual colleges. One of the very important units that will generate such initiatives would be that industry liaison unit to which I referred earlier.

Q. You might have a look at the Queensland proposal to introduce a course for entrepreneurs perhaps?---A. Perhaps I could ask Mr McLauchlan -

CHAIRMAN: Would you have a philosophy whereby the local college could retain all of the moneys that they have earned or would head office want to get their hands on that?---A. Mr McLauchlan has the answers to all of those.

(Mr McLauchlan) This area has been a priority since I entered TAFE. There have been two elements that have had to be covered, the department's current inability to generate or retain income and charge fees or conduct commercial enterprises generally. All of that will require major legislation if in fact the overall situation is to be provided for the department to go ahead as if it were a statutory authority. However, what we have developed is an infrastructure which will allow us to proceed virtually immediately to three things; to generate income for the department, to retain that income and to employ staff through the organization we are establishing. The components of this will be first to put a price on our curriculum products and other services, second to provide consultancy services, third to enable us to contract or franchise operations such as book shops, students' unions and so on, and finally, an area which again has government support, the area of exporting educational services. That is the framework in which we are operating.

As the Director-General said, we hope to have this infrastructure established with government support early in the new year.

Q. What about the colleges? If they run something do they keep the money?---A. May I address that question now. The Treasury, of course, has an interest in this and the Treasury's view initially was that some tax should be paid by the department to Treasury on income generation. I believe it will be permitted in the initial year at least without such a tax. Part of the arrangement is to allow a proportion of the funds to be retained by colleges either by way of salary payments or by way of retention of profit, if you will, and part of that to be retained by the department overall for general departmental initiatives. The way in which we structure that is still subject to considerable discussion but the principle is there.

(Dr Pattison) I would say one might see that there is a local industry which institutes some discussion with the local college, say, on a training program, training package for the local industry. Now the local college might indeed take that training package from a centrally-administered pool of curriculum and undertake that program on a fee for service in industry. Obviously there would be a significant payment go to the college in terms of compensation for the resources that it is going to use and the like but it is not unreasonable that that college would also pay some fee for access, say, to that central curriculum material in the first instance. What we would be concerned about is that the real costs of these projects are met and that the costs are not shortened simply in order to accommodate a feeling that this is a local initiative and they should keep all of the income.

Q. Are you aware that this system is operating in Western Australia?---A. Yes, the system in Western Australia has been operating for a good number of years and we are familiar with the details of that. It has many problems, of course.

Mr WALSH: Getting back to the trading corporation, when did you envisage having that up and running?---A. I am not sure of the legal constraints one this. We move fairly quickly from where we are now to being in the grips of others. I would be surprised though if it were not in place by mid-1988.

(Mr McLauchlan) The infrastructure should be in place in the first quarter of 1988, we would hope, and the appointments by mid-1988.

Q. The Committee is perplexed by the directive that appears in the TAFE administrative handbook to the effect that the college fundraising drives cannot be undertaken to obtain essential course equipment. However, they can be undertaken for additional course equipment. This appears to restrict if not preclude entrepreneurial effort. What' is the reason for that directive?---
A. (Mr Stanbury) It sounds to me as if there is a slight misunderstanding there. The purpose behind the directive that went out was to the effect that students could not be asked to provide essential equipment for a particular course. If they wanted to supplement, for instance, two computers for a class and if they wanted to buy another five that was all right, but it was inappropriate to suggest to students that they should provide equipment that was essential to run a course. Those

words sound as though they have been misconstrued.

(Dr Pattison) What we are trying to say there is simply that a college cannot make a decision to mount an educational program and that a condition of that is that the students bring their equipment with them. There has to be a commitment to the program by the department through the college and we would believe it to be quite improper for an arrangement to be in place where students are required to provide facilities of some significance. That is not to say that in some instances students and the community generally might not enhance the equipment but there is a connotation there that simply if you come along or the local community comes along with its equipment then the department and the college will find all the other resources. That cannot be allowed to develop.

Q. The committee is aware of taxation amendments earlier this decade that allows taxation concessions for donations to technical colleges. Is that aspect centrally monitored and have those changes been of any consequence? ---A. Centrally monitored, no. We are aware of the issues. The provision for gifts to colleges of technical and further education, as you say, has been enacted and has acted as a medium for attracting gifts to individual colleges. What we have done to enhance that in recent times, and this was in fact through the bicentenary process, was to establish within the department which incidentally was excluded from those other provisions we are talking about, those existing provisions apply only to colleges and not to the department what we have done within the department is

to establish a foundation which will attract taxation exemptions. So now organizations can donate to the department so that the department can then adopt some strategy for the use of those resources and attract -

CHAIRMAN: Payment directly to a college?---A. As well as to a college.

Mr WALSH: That \$2 million you mentioned that a computer company involved itself in, was that a donation to the department or to a college?---A. No, in order to effect the receipt of that gift we had to establish a public company. We established the Newcastle TAFE CAD/CAM Centre under provisions of the Companies Act to accept that gift and to use it which allowed us then to employ staff of a calibre and at a salary appropriate to the level of the gift, otherwise we would not have been able to attract staff into TAFE to use it.

Q. Do I understand from your previous comments you do not have a central register of donations from industry to all colleges?---A. No.

Q. It would only be a guesstimate?---A. It would be quite impossible I would think. We could list some of the highlights that have occurred in the past few years if that would be of assistance to the Committee. I would emphasise it would certainly be a hit and miss sort of list because many of the gifts of industry are relatively small. No one seeks a taxation relief from them. Industry is not that concerned and very often they just go straight to an operating unit in a college.

Q. You would not see any value in a central registry to measure the effectiveness of the Commonwealth's taxation requirements?---A. In one sense yes, but again it adds to the bureaucratic functions, that is all. It has just been pointed out to me that as part of our current negotiations with the Department of Employment Education and Training, a Commonwealth department, they have asked for some of this same sort of information. If that is linked to the provision of Commonwealth funds then we will do that. I would see it simply as a bureaucratic function that is not very productive.

Q. Do you See any value in private organizations being involved in fund raising for TAFE?---A. Yes, I have a long personal association with a variety of fund raising activities in this State and throughout Australia and I know that if one really wants to raise money one gets professionals to do it so I have no qualms about the employment of skills to do appropriate jobs and that includes fund raising.

Q. Do you think that you would need to implement such a policy?--A. I have not resorted to that sort of approach yet. I do not see any need to do that in the immediate future, but it certainly would not be ruled out as one of the strategies available to us. If I could draw analogies with other educational establishments, particularly those overseas, very large educational establishments have their own operating units as fund raisers. So it ranges from having professionals on your staff to do those things through to employing people to do it on a contractual basis, through to having your amateur friends do it for you.

Dr REFSHAUGE: Do you have any procedures for screening donations that come to colleges or in any way to stop colleges from becoming the graveyards for obsolete equipment?---
A. You have touched a very raw nerve there. I just spent some time overseas One of the concerns that came to my attention when I spoke to people in educational establishments while I was away was that problem - not so much the graveyard aspect of it but the point of view that says there are positive benefits to the donors of equipment to organizations such as this, that we should not lose sight of those things in what might almost be called a respectable scramble to get such donations. I have said it somewhat facetiously but the spirit of it still holds, and that i that we are approaching the stage where we might call tenders for people to give equipment to the organization.

Q. Does the disposal of donated equipment involve the same procedure as the disposal of outmoded equipment bought by TAFE?---A. (Mr Stanbury) Technically, yes, because it becomes

our property once it is donated. It has been pointed out to me that the new computerized asset control system referred to earlier will provide us with a record of all the donated equipment. However, it will cover only equipment, not all the other donations by industry. We will then be in a position to know what we have and who has given it to us.

Q. If equipment is donated to one particular college, do you ever move it from that college to another college?--A; (Dr Pattison) I do not think we have faced that experience. It is certainly not within my range of experience. Once they are given to us, I hold the view that all sorts of constraints cannot be placed on gifts, unless they are financial gifts that must go into trust funds or something like that. Apart from those instances, once it is given, it is there, and it will suffer the same sorts of pressures as our own equipment. If it has to be moved, it will be moved.

(The witnesses withdrew)

WARWICK BRIAN CLEARY, Head of School of Automotive and Aircraft Engineering Trades,
New South Wales Department of Technical and Further Education, of [REDACTED]

[REDACTED]
WILLIAM GALVIN, Head of the Food School, New South Wales Department of Technical and
Further Education, of [REDACTED],

MARION DELVENE LAWRENCE, Head of the School of Office Administration, New South
Wales Department of Technical and Further Education, of [REDACTED], and

PAUL LINDSAY EDWARDS, Head of the School of Computing and Information Systems, New
South Wales Department of Technical and Further Education, of [REDACTED],

sworn and examined:

DONALD CHARLES ENDERBY, Dean of the Faculty of General and Commercial Studies and
Head of the School of Business and Administrative Studies, New South Wales Department of
Technical and Further Education, of [REDACTED], and

HANK WAALKENS, Head of the School of Engineering Trades, New South Wales Department
of Technical and Further Education, of [REDACTED], affirmed and examined:

CHAIRMAN: Did you receive a summons issued under my hand to attend before this
Committee?---A. (All witnesses) Yes.

Dr REFSHAUGE: I wonder whether each of you could briefly describe the
administrative and educational roles, as you see it, and the responsibilities of Head of School,
with particular reference to your own school?---A. (Mr Enderby) I shall start with the educational
role. It is to determine the educational

need for particular courses in my case, it is in the business and administrative studies area - across the State of New South Wales, to determine the content of the courses to meet that educational need, to determine the standard at which the courses should be taught, to determine the qualifications of the teachers necessary to present those courses, to determine the educational facilities necessary for those courses and the locations at which they should best be offered, and of course to determine the appropriate assessment techniques all the way through the course.

The administrative needs are complex in that all those various functions must be attended to and that derive from those functions. In the case of the School of Business and Administrative Studies, some 63 000 students are doing our courses across the State and we operate at over seventy colleges. The administrative arrangements are a mixture of centralized control and decentralized co-ordination, depending on the function we are talking about. The content of courses is largely centrally determined, with a local input. Some local courses are determined locally.

The nature of assessment varies from a centralized determination to a localized one, depending upon the nature of the subject. We have categories A, B, C and D. Category A is a centrally set exam paper which is centrally marked; category B is a centrally set but locally marked paper; category C is locally set and locally marked; and category D is more or less a progressive assessment type of thing. We allocate those categories to various subjects, depending on

the nature of the educational need they are intended to meet. I could go on, but it would take all day.

Q. I imagine there would be many similar points in your position?---A. (Mr Galvin) My role, of course, as a head of school recently appointed is exactly that of Mr Enderby. But, as head of the food school in New South Wales, i would summarize it by saying that I am responsible for the quality and the relevance of educational programs for the many facets of the hospitality industry which we serve across New South Wales. I would also add that i am responsible to maximise the use of our facilities. I am responsible to maximise the equality of equal opportunity and access to our programs across the State. The food school, as one of the twenty-five schools in TAFE that the Director-General alluded to, has programs in forty-seven centres across the State. 'the majority of those are in colleges of technical and further education. I would like to point out that the food school has a very strong and rich history, a very strong foundation of offering our accredited courses in industry locations. That has been its strength in the school's program for the provision of courses to the hospitality industry.

Q. Do you have an input into the parliamentary diningroom? ---A. We have provided a great deal of consultative services to this Building on an ongoing Oasis.

Q. That certainly shows in a positive sense.---A. Thank you very much.

Q. How many students do you have?---A. We have approximately 12 000 students throughout the State of New South Wales. We are presently undertaking the types of educational development to which Mr Enderby referred.

(Mr Edwards) I am the twenty-fifth school, formed only in February this year. The role of my school is very similar to the one mentioned by Don Enderby. As an example of the sorts of things I have been involved in in forming the school, I mention the considerable amount of market research to define what programs we should be providing, the priorities for those programs, and the competency that the products of the courses will have so that they go out and meet industry's needs. In addition, the role is to design courses and awards; to design some of the educational methodology which will be used. Being a school of computing, of course, that means an enormous amount of innovation in terms of using the computer as a teaching tool; State planning in terms of working with the buildings people in determining where the courses will be mounted; the detailed development of the course itself, which is a fairly lengthy and heavy process in matching the courses with the outcome required by industry; presenting those to academic committees; testing them with review panels, which are a group of industry representatives; and then negotiating with buildings people and others to either lease or construct buildings to provide those courses.

Q. How many students do you have?--A. I have none who are brand new as my school started only in February. I have inherited some from some other schools it would probably amount to about 2 500 students spread throughout the State in some forty centres.

CHAIRMAN: So you are in the process of empire building? ---A. I would prefer that worded in terms of trying to meet the needs of perhaps the largest growing industry.

(Ms Lawrence) Something in excess of 40 000 students are enrolled in my school this year. That is an increase of 17 per cent on last year. We are in 101 colleges. We are not in Charlestown as yet. We are also in about fifty-six associated centres. In my role as head of school I am supported by a deputy head of school and nine heads of division. They are the curriculum experts on whom I rely.

Dr REFSHAUGE: How many colleges are you involved in? ---A. We are in 101 colleges. We miss out on one, Charlestown.

Q. What is wrong with Charlestown?---A. They are a rural studies specific college. We are working on that.

(Mr Cleary) I look after two industries. They are both repair industries the motor vehicle systems repair industry and the aircraft systems repair industry. In contrast with some of the earlier speakers, I have an area of high resource usage which require dedicated areas. I provide the complete training for both those areas. There is no ongoing training for motor vehicle mechanics or aircraft maintenance people. The provision of training from apprenticeship through to what may be termed the master mechanic is provided by my school.

I have a role of ensuring that the courses are relevant to changing needs. Certainly the motor vehicle industry and the aircraft industry are experiencing massive technological change at the moment. This requires me to ensure that teachers have adequate staff development. I am recruiting teachers, deploying teachers, and ensuring that they maintain relevant industry skills to be able to provide the courses that are required. 'Inc school would have something like

5 000 or 5 \$00 students across fifty-six centres throughout the State. There is only one aircraft centre, and that is at Padstow college.

CHAIRMAN: As I understand it, Qantas runs its own college. is that in competition with your college?---A. Qantas did run its own college. It has some training officers but 80 per cent of the apprentices we have at Padstow are from Qantas.

Mr WALSH: Do they make a contribution to the course?---A. Yes. As Dr Pattison mentioned earlier, they have made a contribution. Because it is a repair industry, the skills are to be able to identify the serviceability of used components and to repair them. So we get donations of used items, whether in the motor vehicle industry or the aircraft industry. That would be the major contribution by Qantas.

(Mr Waalkens) The school of engineering trades covers fourteen trade courses, some of them very large and some very small. Some of the larger ones are fitting and machining and metal fabrication; some of the smaller ones are optical mechanics and watch making. There are approximately 23 \$00 students in the school which has approximately 750 full-time teaching staff located throughout some seventy-five colleges within New South Wales. Our school is extremely heavily involved in technological change taking place in the manufacturing industry at the present time. As a result the school is heavily involved in working in co-operation with industry trying to resolve some of the educational training needs of industry. I think that is one of the main differences that we have with some of the introductory comments made by Don Enderby about the standard roles of the various schools.

Dr REFSHAUGE: How many students do you have?---A 23 500.

Q. In how many colleges?---A. Roughly through seventy-five colleges.

Q. If I can just concentrate on you, Mr Enderby, and Ms Lawrence and Mr Edwards, what are the major issues and difficulties faced at the head of school level?---A. (Mr Enderby) Issues and difficulties?

Q. Apart from lack of money?---A. (Ms Lawrence) That is it. (Mr Enderby) It is a very wide question as I am sure

you will appreciate.

Q. If things are working well, we do not need you. Why do we need you? What problems are you facing?---A. The big problem, of course, facing any head of school, I think, is problems to do with the relevance of the courses offered, to make certain that all needs have been identified that are relevant to their school and they have not missed any, at the same time making certain that they are not providing for things which are now obsolete, and to make certain that courses being offered are relevant. We have a big priority in TAFE for course relevance. The students of today want what I will call instant or near-instant relevance. The days are gone when I was a student, for example, when you would sit down and do a foundation subject in first year and someone would say, "It will be good for you when you are thirty". The students of today, it seems to me, want to learn something tonight that they can use tomorrow morning. There is the problem of need identification and the problem of designing courses in such a way that they meet those needs, do not go beyond them, do not fall short, and at the same time maintain student interest in what is being taught.

Q. Do you disagree with that change to wanting immediate relevance?---A. No, i do not think so. For example, when I was a student in engineering in the first instance, we were given a lot of foundation subjects in mathematics and calculus and what-have-you, that I, as a graduate engineer, have never used. It was given to us on the basis that it was said to be good for us; it made us think, and that sort of thing. I think it is possible to design courses that make students think, that are rigorous, and which at the same time have applicability and have relevance. This is what we try to do certainly in our schools. We do not try to teach them a lot of stuff that is superfluous.

CHAIRMAN: Do you have difficulties with paperwork?---A. Do I personally?

Q. Yes.---A. Yes, I do.

Q. A big problem?---A. Not an unmanageable problem. But in any organization the size of TAFE, you necessarily have paperwork. it turns on the personality of the individual. There are some officers who just love paperwork. I am one of those people who would generally shirk it if I could get out of it. I think you and I, Mr Chairman, may be Co-pathetic in that. We have a lot of paperwork in TAFE, but it is a big organization and we need a lot of paperwork to handle it. Efforts are being made all the time, of course, to eliminate unnecessary paperwork, but we do have a lot of it.

Returning to your original question, which dealt with determining educational needs and our problems, I think I have traversed the point about the relevance of the courses. The other problem we have is to get teachers who are appropriate; to make certain that what they are teaching is relevant to the

courses; and to make certain they are following prescribed syllabuses. Teachers like to do their own thing, of course; in some courses we encourage that, and in some courses we do not, because we find there is a centrally determined curriculum.

We have problems in recruiting staff. Their salaries are not competitive with the marketplace, as far as I know. I am sure Mr Edwards would reinforce that. He is having a lot of trouble recruiting people in the computer area. I have trouble recruiting staff in my area. I do not think the salaries are at all competitive any longer. The type of person who joins us is one who is not motivated in terms of money. They are more motivated in terms of doing something for the country and for the students. They think they would like the teacher's life, or what-have-you; but they do not join us for a salary, I can assure you. That is a problem. There is also a problem with equipment. It is not great in my school because mine is not a big consumer of equipment.

There is a problem with our facilities. A lot of our facilities need to be upgraded and modernized. Enormous amount of improvement has occurred in the fifteen years I have been associated with technical and further education. Some of the equipment we have coming on stream now, in terms of small business and what have you, is really great. I think that would roughly describe my problems. They are not all facility problems or money problems; they are the type of problems that set in.

(Mr Edwards) I certainly identify with what Mr Enderby has said about course relevance. It has particular relevance in

of information my industry because the half-life/is about three years. This means that we have a particular challenge in terms of making courses that are adaptable and able to move with industry's needs. My first difficulty is going to be staffing. Quite frankly, some of the new courses will not be able to get off the ground unless we can find some answer to that particular problem. Recently I came from the computer industry at a considerable drop in salary. You just cannot attract very many people when you look at some of the other rewards of teaching. You cannot attract them into the industry. Typically, the sort of person we are looking for as a teacher would be earning \$45,000 to \$50,000 outside. The maximum salary I can offer is something over \$30,000. You do not get that sort of talent with that sort of differential. I am not sure how we are going to meet that challenge. Interestingly, in the Newcastle area we have been able to fill positions because of competitive salaries. There is not such a large gap. It really is going to create a problem. I have advertised for head of division positions

which have brought no immediate response. after three advertisement i have been able to fill two of those eight positions only. That will give some idea of the battle we are trying to face. To me that affects the quality of what we are able to do. You need high quality people to get high quality courses to ensure industry relevance. The flow-on to that is the right people are going into manufacturing industry. They go. They are the right sort of people for us, but they go.

The second matter has to be resources, but I have to say I am in the early stages of that problem. As a newcomer from industry I suppose I am experiencing some frustration in terms of the necessary accountability processes in making sure that those resources are right. These are challenges that any new school is going to face. Certainly, as a recent newcomer from industry, one of the things I have observed is the extent to which TAFE has been neglected when compared to its other tertiary counterparts. You only need to do a walk from Broadway and look through the institute building and see the sort of amenities available and then go through the Sydney Technical College. If you take that walk I am sure it will explain things to you without need for any words from me. But somehow or other there is a strata structure. That has a bad effect on the sort of things that are happening in the manufacturing industry in Australia.

The other problem is the challenge of change: you go into an organization which has a set way of doing things and it takes a long time to persuade people, even though they might be in the computer industry, that change is in and you have to change to be flexible. These are the major challenges other than those that Don mentioned.

Mr WALSH: In your recruitment policy have you considered whether industry might fund some teachers?---A. In part of my marketing study and negotiations with industry I have met several occasions with the representatives of the Australian Information Industry Association to try and nut out this sort of problem. That organization is the employer or manufacturer's group representing IBM, some hundred large computer companies. Simply, there is no answer other than being able to offer that sort of salary. To what extent can we ask industry to supplement it? The approach I use with them is to ask whether they can lend me people to do the sort of things needed. The response is almost one of "you have to be joking; we cannot get people ourselves to meet our contractual obligations, so how can we lend them. We are sympathetic." In terms of providing a kitty to do it, funding, I have not negotiated that. I believe there is some expectation from industry that there are certain things government should do. They will come to the party in terms of providing help. Indeed, we are negotiating something like half a million dollars worth of equipment at the moment. They will come along with that. But I sense their reaction would be negative towards actually funding staffing positions other than perhaps a project officer to do something special.

(Mr Enderby) Industry does not so much supplement as subsidize what we do in this regard in an indirect way. I refer to part-time teachers. You can get part-time teachers who will come along and do the work for the money. The money is very important to them. Sometimes we have to make certain that they do not spend too many hours doing things we do not need, so we keep a watch on it. But there are a great many senior people in

commerce and in industry who come along and lecture in our courses at part-time lecturers' rates. After they pay their tax on that what they get would barely pay the cost of transport to and from the college. So you get industry subsidizing or topping it up in that way to form a group of dedicated senior people who come along to take classes. I cannot give a breakdown of how many people fall into the different classes -those who come for money and those who do not - but clearly there are a lot of dedicated people in industry who make their contribution to us in that way.

CHAIRMAN: I would have thought one of your major difficulties, other than staffing, would be the compatibility of equipment in a dynamic industry. I would have thought each of the various college operatives would decide when they wanted a different type of computer system and that you would have difficulty reconciling the wishes of various college people. No doubt you would have your own preference for certain types of systems. Would not that be one of the major components of your difficulties?---A. (Mr Edwards) At the moment we are going through a very rigorous process to find how the laboratory should be set up, how the learning environment should be set up for my school. Part of that is specifying standards that are either industry public standards or industry de facto standards. You have to appreciate that some of these are emerging standards. Often we have to do our best guess at which of the various offerings is going to win.

In terms of the first stage of equipping these laboratories, some of the IBM standards have become de facto industry standards and we are locking in with those. Some of the communication standards between equipment are starting to become

published international standards, albeit still in formative stages. We are starting to lock into some of those things as well. On the horizon, for example, IBM is bringing out a new standard at the small end of the market place, for them, which will probably become an international de facto standard. It is very hard to be sure that is going to happen. In terms of their size there might tend to be a forcing of what they decide as being an industry de facto standard.

Just to give some idea of the effort we have made, I sent one of my heads of division overseas for four weeks to have a look and find out how other institutions are coping with this, to visit industry organizations and industry training groups over there to see what the trends are for some of these standards, and to assess and evaluate some of these trends and their relevance to us. We are proficient in terms of trying to make those new standards for the new school on the best advice available to us. I expect we shall make some mistakes.

Q. Would there also be some pressure on industry to put their equipment in, knowing that once it is in it is given the imprimatur by people such as yourself. That is a selling point. What sort of pressure are you and the others subjected to on that?---A. There is a little bit of that. There are certainly fairly heavy campaigns to sell us equipment. It has not got to the stage yet where we are inundated with offers to accept donations from different companies. But we have to be sensitive to that. If we get the wrong sort of equipment that cannot move - we have problems. Part of my planning in one of the first centres that has been set up at the small end of the market place, the microcomputer market at Hamilton near Newcastle, is that I propose that 50 per cent of that equipment should migrate when the next centre opens. In this way the two centres will have

50 per cent of the current equipment and 50 per cent of the new equipment available in six or twelve months time. In this way there will be a balance. Because of the standards we are starting to set, I think we will find students can move between and interconnect.

Q. But it is still a difficulty?---A. (Mr Enderby) I would not describe it as a difficulty, but it is something you have to watch. I recall some years ago we set up what we called a retail laboratory. It was part of our retailing course. What it was really was a room the size of this, made up as a small supermarket with cash registers and clothing and dummy money. Students are taught there to meet and deal with the public and to use a cash register. Most of that was provided by the retail trade, and we had pressure put on us by one of the major firms of retailers to accept a particular sort of cash register. The reason they wanted us to use their cash register was because that was the one they were using in their stores. Anyone trained on that would go straight into their stores. It was not the same cash register as was used in other stores. What you have, when people donate equipment, is a person trained on that equipment. I know that when I was a student the States' GM used to donate a Chevrolet to the high schools in the United States for driver training purposes because they found out that if a student learned to drive on a Chevrolet they subsequently tended to buy a Chevrolet. I think this is what you are getting at.

Dr REFSHAUGE:

Q. Ms Lawrence, the original question was: What are the major issues and difficulties you face as head of school?---A. (Ms Lawrence) One of the major difficulties is obtaining staff, as my colleagues have already mentioned. We do not seem to be able to attract the numbers we would like to. We have almost, I think, 650 full-time teachers in the school. We have a current recruitment campaign on, and we have fifty-one vacancies. We would have a turnover in excess of fifty to sixty teachers each year.

They do not, may I hasten to add, leave TAFE; they get promoted to other positions, which is wonderful, and as TAFE is expanding we are needing more teachers all the time. There are a few retirements, but we can do nothing about that, so there is a major problem attracting staff.

Q. Why are they not coming?---A. Mainly because we cannot offer them a comparable wage to industry.

Mr FISHER: There will be some stockbrokers about.

Dr REFSHAUGE: Do we need courses in stockbroking?---A. Another major problem I have is the staff development of those staff. Our school at the moment is called the School of Office Administration. It previously had been called the School of Secretarial Studies, and I have been in charge of it now for about two and a half years. Previously there was a great emphasis on shorthand and typing. We have done some industry surveys, and shorthand is no longer required, or shorthandwriters in the numbers previously needed.

We have introduced a number of new courses, such as word processing and database and spreadsheet courses. We have microcomputer accounting. We are bringing in electronic

communications and desk top publishing, which are natural follow-ons particularly desk top publishing - because we need to incorporate word processing. You can imagine there is a massive staff development needed for a person who has been skilled only in shorthand and typing, so that is a major problem.

The deployment of staff is another problem for heads of school. We recruit the full-time staff and then we position them round the State. They have the right to ask for a transfer. We try to keep them in the one spot for two years to have some stability in our courses, but if compassionate grounds are brought into it, of course we bend over backwards to meet them earlier. So the deployment of staff is a problem.

I think one of the reasons for our existence is to maintain the educational quality of the courses offered throughout the State and look to the transportability of those qualifications, not only from one college to another but by liaison with other States - transportability across States. To that end I think most of us are on accreditation committees in other States for the courses offered, and we are trying to improve our courses by that and also maintain some kind of stability throughout Australia.

Another problem we come across is the category of examination. Don Enderby alluded to this. In our school we have category C and category D, and that means we must have staff in their own time both set and mark examinations. We only have two small courses which are category A. Why I am mentioning this is there are so many calls on the staff that we have, not only to carry out their work in

the college, not only to do staff development, not only to set and mark examinations, but to be on committees, seconded, that there really is a massive staff problem. Another problem we have is the resource one, which has already been mentioned, and the updating of equipment. In the school we are in principals have been very kind in the main in purchasing new typewriters for us, but really with the type of courses we are offering, we are more into the microcomputer area and the college committees usually have a microcomputer co-ordinating committee to dole out how many hours you can get to a microcomputer.

Of course, as our courses are demanding more and more of that time we are finding certain constraints. I think TAFE has really done a marvellous job in getting all of those computers in, but we are such a massive organization we still have problems there.

CHAIRMAN: Are both yourself and Mr Edwards in the same faculty?---A. No.

Q. Yet you are both purchasing similar types of equipment?---A. We are the low end of the market.

Q. But he is coming in the low end of the market, too. You are not on the same faculty?---

A. No.

Q. Therefore, there is not a cross-fertilization in terms of working out a common type of equipment between both heads of schools?---A. On a day-to-day basis we are quite often in contact with each other and we discuss courses.

(Mr Enderby) We have a very broad cross-organization in TAFE called TAFEnet, which is responsible for overseeing all computer purchases from the big, high-powered vacs to the smaller personal Apricots. Where they get co-ordinated

in terms of the computers they use in my school, too, for computerized accounting is through the TAFEnet organization.

Q. Who runs that?---A. (Mr Edwards) It has its own manager, Paul Blayney.

(Mr Enderby) He is the head of it.

Q. So he would know more about computers than you would know?---A. Let us say he knows a lot about computers.

Dr REFSHAUGE: Is he co-ordinating or telling?---A. A bit of both.

CHAIRMAN: So there is a super-organization?---A. Yes, TAFEnet it is called.

Q. Which is a co-ordinating body. Do you liaise closely with them, Mr Edwards?---A. (Mr Edwards) We have been working with them very closely. Perhaps if I explain also, the structure for computer rooms within colleges is a college resource that is available to all of the twenty-five schools to use, and TAFEnet is the management group that is setting up those classrooms of computers or classrooms of terminals that are networked into the rest of the system.

Q. So your students will use them?---A. My students within the School of Computing and Information Systems would use those computers to the extent to which those computers would satisfy the needs of my school.

Q. I understand that. Would your students use them? ---A. (Ms Lawrence) Along with all the other schools, yes.

Q. And your students?---A. (Mr Enderby) Yes. What I am getting at is that the schools do not own the computers; TAFEnet owns the computers. It is a very centralized sort

of thing. It is a bit cumbersome in some ways, but it works well. My school has no complaint about TAFEnet. The Apricots they have got suit us fine; the vacs suit us fine. Paul may have some anxieties because he is getting to a different level, but there is a centralized overall control and planning for computers called TAFEnet.

Q. In other words, TAFEnet has its own budget?---A. Yes.

Dr REFSHAUGE: You say they own the computers in each college?---A. (Mr Edwards)
The college owns the computers.

Q. The college determines the distribution. What does TAFEnet actually do? I am not sure exactly what it does. Maybe we should get them to tell us. What do they do so far as you are concerned?---A. Historically they were set up to have a networked computer system operating throughout New South Wales.

Mr WALSH: What year was that?---A. 1984. Dr Ron Watts was actually the first head of that particular unit, but it was set up initially to provide a network that provides for computer access through eight centres and networked to Sydney as well. The role grew. With the advent of the microcomputer there was a need to purchase a piece of equipment that could be reasonably used by a range of schools at any college within the State, and a process was gone through to set up a standard specification for equipment that best met the identified educational needs at that particular point in time.

That then went out to tender. There was a competitive bid and equipment is still being purchased against that particular contract right now. A new committee has been set

up, of which I am a member, called the Computer Evaluation Committee, under the chairmanship of one of the college principals, and its charter is to draw up a new educational specification for equipment that is to have general college use. That educational specification will have its technical parts built into it and it will go out to tender some time in the next couple of months to go through that cycle again to get the next generation of equipment, or equipment sets, that is appropriate to that general computer use throughout TAFE.

Dr REFSHAUGE: If we can get on to the development of new courses, where does the impetus for a new course come from? Does it come from the students, from head office, from head of school level, from industry, or where does it come from? There may be one answer.---A. (Mr Enderby) It can come from a variety of sources.

Q. Where does it come from basically?---A. It does come from a variety of sources. We get ideas within the school. Someone says, "Hey, there ought to be a course in this", and people develop it and go and test the idea and say, "Yes, the idea is right". It can come from suggestions and requests from industry. There is no one single source of ideas on this.

Q. Where does the majority in your school come from, or how many new courses in the past two years have you had?---A. I cannot quote a figure in terms of three-year courses. What they have introduced in terms of the past few years have been reworked, updated courses.

Q. What about new courses?---A. There have been new courses in the business area.

Q. Where do the new courses come from?--A. (Mr Cleary) We have a school committee that meets, and that has representation from the breadth of industry. They indicate to us the problems they foresee or the problems they are having at that moment, particularly in my area with the changing of new technology and the exodus of the skilled motor mechanic, because they feel that they cannot cope so they look to me to arrive at some means of giving that person the confidence that they can cope and generate short courses of that nature to enable the mechanic - for instance, I speak in my area - who in the past has been dealing with something that has been of a concrete nature. If you turn the steering wheel, you will see the wheels change direction; if you put your foot on the brake, you can see the shoes expand. Suddenly we have electronic controls over all those systems. In the past we have been able to hand the problems that dealt with the electrical side to the automotive electrician when the problem was either mechanical or charging or lighting or instruments. Suddenly they have to confront that themselves.

The industry would put to me that in our courses for the new entrants, the apprentices entering the industry, there is an immediate need to ensure that they become competent in that area and also to ensure that their mechanic who is out there in the industry has access to this new technology. They would indicate the need; we would then discuss with them the objectives of any new course, and we would evolve a course around that.

Q. Has anyone had a course initiated at the head of school level recently?--A. (Mr Galvin) Yes, I certainly have.

In fact, may I allude to a course we introduced this very week in our industry - the hospitality industry, which was alluded to earlier by a ministerial colleague for sport, recreation and tourism. May I set the scenario briefly. You will be aware of the significant contribution made by Japanese tourists in New South Wales.

The industry might say that Japanese tourists in terms of requirements are equal but different and for some time the industry has discussed the need for some type of program to assist Japanese tourists feel more welcome, shall we say, as your colleague placed it into our environment.

Q. So they will not go home with any money left?---A. So to speak. On that type of advice I, as head of school, sought to bring that together and in concert with another school, the School of General Studies, in TAFE we formed a working party six weeks ago. We took a great deal of advice from hoteliers and restaurateurs and other organizations. I even had a conversation with the Restaurant Caterers Association.

After some brief meetings with all those industry representatives, I, with the head of school of general studies, put together a brief course as an introductory to Japanese tourists. That course is eight hours in duration. We had it formalized and approved by a principal in a metropolitan college at East Sydney Technical College. We are now running that course in an industry location - at the Holiday Inn Menzies.

The reason I have taken this trouble to explain it is that it is a very good example of the strong support industry provides with TAFE for review of our educational programs. It is probably a good example of a question that was earlier addressed and extremely well answered from here of the ability of TAFE to respond quickly to industry's needs.

Q. I heard the Minister in the federal House congratulating your school.----A. Thank you.

Q. Mr Enderby, what are the main types and classes of assets, equipment, used in your school?---A. (Mr Enderby) Furniture and buildings. Ours is not a school that relies heavily on equipment, like the engineering trades does. We use computers more and more, but the vast bulk of the assets, as you put it, would be furniture, buildings and books in the library. It is what a lot of people refer to as a chalk-and-talk operation. To some degree, that is true. We are becoming less and less of a chalk-and-talk operation but the assets, if you broke them down, would come to furniture and buildings.

Q. Most of those items would be in-contract items, items that would not require any further approval than the principal of the college to be purchased, would that be correct?---A. The vast bulk of what we use would be in-contract items, yes. From time to time I get items referred to me that are not in-contract

But the vast bulk of what we use would be in-contract items. If you look at the expenditure you would find we are relatively small spenders. Our cost per student in terms of capital equipment and what have you is probably lower than all the schools.

Q. What is it?---A. Cost per student is probably \$3.

Q. Have you any idea of the aggregate value of your assets?---A. In the State?

Q. Yes?---A. I do not own the assets. The principal has the responsibility. If you use the word "own", the principal owns it rather than me. I do not even own my own office or the furniture I sit in. I have it at the pleasure of the principal of Sydney Technical College.

Q. Can you see any value in knowing the total value of the assets that your school is using?---A. Yes. Because, if I was to be able to say I can turn out so many students per dollar whereas engineering trades turn them out at so many per dollar and the engineering trades are higher than me, I could use that as an internal lever to get more funds allocated to my school. But the Director-General would be the one to eventually decide, but it would be only in that way.

(Luncheon adjournment)

Mr SMILES: I wonder if I could pose to the heads of school the question what role does the head of school play in specifying and obtaining equipment?---A. (Mr Cleary) In the motor vehicle area most of the equipment that is purchased in my school is out of contract and so we determine the specifications for the equipment. We determine it on the educational value of the equipment, the reliability factor and we are looking for something that is typical of that used in the industry itself and the students feel that what they are being trained on is relevant to their current needs.

CHAIRMAN: Let us take an example of that. The new technology is such that in the panel beating industry they now have these large imported booths where they drive the car in and they have a sort of baked enamel process. Have you got to that technology yet?---A. There are two separate schools, the school of vehicle trades which covers panel beating, spray painting and trimming and I look after the automotive school which is the repair of the engine, the transmission and, for instance, something in my area would be an engine diagnostic unit or a wheel aligner.

Q. Let us say there are a variety of engine diagnostic types of equipment around. How have you determined which type should be used in the school?---A. What we look to at various levels depending on whether it was a small college, it may not be looked on as a teaching state of the art and we would look on something of a simple nature that people can learn the first step.

Q. You would look on it or the trades person teaching it would look on it?---A. The school, in the sense that when we develop the syllabus we produce an equipment list that goes with that syllabus. On that equipment list we would list the wheel aligner or this engine diagnostic unit. We then have a review panel from industry to look at that and see whether they saw that level of equipment was appropriate. On the other hand, if you were looking at something of a state of the art equipment which would be at a limited number of centres, we would be looking at the capacity of the equipment that was available in the industry at that time. We would write a specification of that nature. Of recent date the tendency has been to nominate, for instance, on engines the criteria that we are going to measure on the engine rather than try and describe a unit because the units are changing so rapidly, by the time we set out a specification there could be a new unit on the market that had better capability in different form to the others, so we would not want to exclude that.

Mr SMILES: In that process when do you get the opportunity to indicate some or all of the potential suppliers of that equipment?---A. We indicate to the State Contracts Board the potential suppliers of that equipment. That is when we send the tenders in or not when we send the tenders in, I should say when we send the requisitions in with the specifications.

Q. That is preceding the advertisement for tenders?---A. Yes.

Q. Given that process, have you been happy with the equipment acquired for your school?-

--A. Yes. I go through a process. I have two heads of division who deal with resources, one who deals with the general resources of our mainstream courses and another who looks at the new technology level. We released in at Sydney Technical College three specialist teachers in a new technology course development centre and because they look after specific areas, we have those teachers assess the value of the equipment. For instance, in the engine diagnostic unit that was given as an example, we would borrow new vehicles from the five Australian manufacturers and we give appointments to the equipment providers and ask them to demonstrate the value of their equipment on current vehicles.

Q. That input from your two teachers -?--A. We have specialist teachers under the heads of division to look after it.

Q. So you are getting some input then as you describe from specialist teachers?---A. Yes.

Q. Is that a function of the particular person's expertise or is that part of at least informally if not formally the job description for any teacher that gets to that position? ---A. The new technology has only hit the automotive industry in the past few years. We have only had these three specialist teachers at this time. We are looking at exchanging them with others but the three specialist teachers, one looking after the engines, the other looking after transmissions and the other one looking after the control systems, would assess equipment in their area of specialty. They come up with a

comparative chart between all of the equipment that is being provided as to how it meets the modern needs.

Q. Mr Edwards, is that vastly different to your situation? ---A. (Mr Edwards) Again, appreciate that I have just got a brand new school just starting, but the process is not dramatically different. Again it is curriculum, defining the competency that has to be delivered, defining the equipment that is going to meet that competency. In our case we have gone out with a tender in inverted commas first of all which is a request for information from the marketplace in terms of specifying broadly what we want to do and getting the manufacturers to say, "Here is what we see as being the trends. Here is what we see as being the sorts of things you are likely to need" and we are in the process right this minute of writing a specification that marries the new equipment that is available on the market with the educational competencies that we are trying to deliver.

Q. While you are addressing that problem I wonder if I could move from that issue for a moment specifically with regard to your new challenge with whatever curriculum developments your school is doing at the present, what relationship does that have with your equipment acquisition. Will you be waiting until all curriculum development is completed before you proceed to equipment acquisition?---A. No, in fact we have already set in process some of the early equipment purchased because it is generic and it has some sort of universality of application. Stage 1 of the course which will be introduced next year, the equipment we are ordering is actually in contract equipment. As we go into

later stages, we have obviously got first a little more lead time and second, we do not want to move too early because the state of change out there as I mentioned earlier is that equipment has about a half life of three years so we need to measure the rate at which we do some of these things.

Q. Ms Lawrence, with regard to your school, fundamentally are you happy with the equipment procurement procedures? Do you feel your school ends up with the kind of equipment necessary?---A. Might I first of all precede that by telling you we are doing a major review of all of our courses at the moment so this will all be dramatically changed in the equipment that is currently in the school. That technology will be replaced by the new one.

Q. Again, if I could pose the same question to you, you are aware there will be changes in technology; when will the decision-making be made with regard to that technology, visa vis your process of reviewing the courses?---A. We have already introduced some of the new courses and we are using that on the current computers that are available in TAFE. So we cannot, for example, at the moment put in desk top publishing because the computers do not have the facility but we are developing that course, knowing that that is the direction that overseas and Australia is going.

Q. How long will your current review take.?---A. The new course will be in place at the beginning of 1989 and we will have a pilot of it some time next year.

Q. On the assumption you are able to keep to that timetable and you commence the new course early in 1989, when will

you have acquired all the equipment you need for that new course?---A. It is going to work the other way. We are going to have that course developed with not all colleges with the new equipment and as the new colleges can afford the new equipment, they will be putting it in and taking up the new subjects in our courses, unless we get some other input of Commonwealth money as we have had over the last triennium for equipment.

Q. I have a general question about knowledge of equipment. What structure is there for you as heads of school to know where equipment is per college, per region or throughout the State. I direct the question particularly to those of you who have schools that service, if I can use that term, a number of colleges. Is there such a structure?---A. (Mr Galvin) I speak, of course, for the Food School. In the Food School there are, as was alluded to a little earlier, heads of divisions. In the Food School we have six heads of division, and they maintain their particular discipline. At any particular time they could advise me where major pieces of equipment are located. As a matter of interest, quite recently - some six months ago - we in the Food School designated a responsibility to a project officer, a senior teacher, to advise the school unit, the heads of division and the head of school on ongoing planning to maximize the use of equipment throughout the State in those areas where the Food School is currently located. I add that, because I am advised by heads of division, the Food School is therefore able to obtain relevant and up to date information on equipment needs and equipment specifications.

Q. That is the Food School which is fairly centralized. What happens in the decentralized areas? What happens in the School of Office Administration and the School of Automotive and Aircraft Engineering?---(Mr Cleary) I have fifty-six centres, and I visit those centres personally at least every two years. Quite often I visit them more than that. I have nominated fifteen of the centres - four in the metropolitan area and eleven in the country - to be the specialist centres to have the latest equipment. I would be aware of the equipment levels at those centres to teach

the courses to the full extent. I am aware, as best I can, of the levels of equipment at the other centres. The heads of division are responsible for those particular centres as well. They would indicate to me if they thought there were deficiencies and what deficiencies had to be met.

Q. Let us assume that another college opens up courses in your area next year and, to make the question easier at least for me to understand, there is the hypothetical situation of no new resources being allocated. What mechanism do you have to reallocate, within forty-eight hours, existing resources in your school around the State to accommodate that extra outlet? ---A. As we said earlier, I do not own any of the equipment. The equipment is owned by the colleges within the metropolitan area, which are autonomous; or, in the regions, the equipment is owned by that region. I could approach the regional director to redistribute equipment within that region to try to support a new centre if we did not have the resources.

Q. What would happen if we assumed that this new facility is being established in a region that has no other outlet for your school? What is the mechanism, if any, to transfer equipment between regions?---A. The question arises on a false premise, in that we would not open a centre, we could not open a centre, without resources. My courses cannot be taught without resources.

Q. I accept that. I rephrase the question. You spoke of colleges that have some of that ultra-modern specialist equipment. We all accept that it is not always possible to give

every college offering courses in your area the ultimate equipment from the very beginning. What happens if considerable pressure is brought to bear from all the proper channels - from industry through to the college council or whatever - indicating that there has been a misallocation of those ultra-modern resources and that you have made a mistake in allocating to the eighth and last college, and you really need to take that equipment out of the eighth and last college into another region and obviously another college?---A. I have had equipment transferred with the approval of the principal at Hornsby, for instance, to Sydney Technical College, where initially there was thought to be a need at Hornsby. When the equipment arrived, the man was not there, and so they transferred it. The same thing happened at Grafton. In that case the principal agreed to have the equipment transferred from there to Taree.

Q. Does that involve transferring it outside a region? ---A. No, it is not across a region, but the example of the transfer from Hornsby to Sydney Technical College involved two autonomous colleges.

Q. Would that challenge be any different for you, Mr Waalkens?---A. (Mr Waalkens) No, actually it would be very similar. I have just recently been involved in a very large exercise similar to the one about which you are questioning us. I have been able to transfer a lot of equipment from one region to another or from one college to another, after we were able to convince the principals and the regional directors, from an overall Statewide point of view, to rationalize our available resources by moving a piece of equipment from college A to college B. Although in some cases it causes a little heartburn

it results in a successful exercise, saving the department close to half a million dollars. So it can happen with discussion, negotiation and so on.

Q. What strength do you have to be successful in that negotiation?---A. Let us put it this way: if the situation arose where I recommended to the regional director that a piece of equipment ought to be transferred from college A to college B and he did not agree, ultimately we would agree to take up the discussion with the director of colleges in the first instance to whom we would both put our argument. We would seek a third, independent point of view as to what should happen - whether it should stay at the college or whether it should go to another college. The answer to the question is, negotiating skills only.

CHAIRMAN: What criteria do you use to determine whether equipment is surplus?---A. We have standard lists that indicate what is required to conduct a course at a college. If a course is revised and the equipment list is changed, that could be an instance where a piece of equipment that is additional or surplus to a college might be relocated. There might be another college which is short of the same piece of equipment, so you could recommend that it be transferred.

Q. It really depends on whether it is involved in a course rather than the fact that four students might be using a piece of equipment for only one term a year. In the second case it would be regarded as being needed there?---A. I am not quite sure in what direction your question is seeking to take me.

Q. I want to know the criteria on which you would make the decision as to whether that equipment was surplus. Is it made on the basis of nil usage or is it made on the basis of a

certain percentage of usage?---A. It would most probably be in the case of nil usage, or of having two machines when the specification we have put out for the course states that one of those machines is essential to conduct the course. In other words, the college would have more than the essential equipment; it would actually have a surplus.

Q. What would happen if the number of enrolments declined in the types of courses that are often offered in your area? Early in the course you may have been training twenty students whereas later in the course you may be training only four or five students. You would still have the same amount of equipment in the room. Do you have a usage factor on each of those machines which determines whether they will remain there or whether the course should be discontinued or regionalized, and therefore regionalizing the equipment as well?---A. Yes, that happened in that same exercise. That happened at Granville college. The workshop was of such a size that some of the equipment did not get utilized to the extent that we felt it should. The enrolments had dropped substantially, hence it was recommended that that equipment be transferred from that college to another college where it would be better utilized.

Q. Would you have all the statistics in relation to pre-apprenticeship training - the numbers of pre-apprentices? ---A. We have access to it.

Q. Do you use those statistics to determine the usage of equipment?---A. Yes, we do.

Q. That is used as the basis for the regionalization of that equipment?---A. The pre-apprenticeship statistics are not solely used for that purpose, but they would certainly be part of it.

Q. Would you be able to supply the Committee with those statistics?---A. Pre-apprenticeship classes in regions and colleges?

Q. Yes, how many on average you have in a class and how many classes there are?---A. I believe we have that information.

Q. Would you be able to supply further statistics on the amount of equipment in each of those rooms in which pre-apprenticeship courses are being undertaken?---A. I might need to have that question clarified. Do you mean that you want information on the equipment in a workshop used to conduct a pre-apprenticeship class in, say, a small country college?

Q. Yes. What I want to know is whether it is usual for four or five students to be in a classroom containing equipment that could be used by twenty students, when in days gone by that number of students would have been the norm?---A. All our workshops are designed for class loadings of fifteen students.

Q. Let us say that is your class norm?---A. If the principal commences a pre-apprenticeship class at the beginning of the year with fifteen students and a number of those students took Jobs some time during the year, which often occurs, it is possible that by August or September the class loading would be reduced from fifteen down to maybe eight or nine students. In that case the workshop utilization would not be as high as it was at the beginning of the year. It is still a standard workshop designed for fifteen students. They are standard machine shops or welding shops as set out in our college manuals.

Q. You would be able to provide the Committee with starting numbers and finishing numbers in particular courses?

---A. I personally do not have those statistics but I believe they are available centrally.

Q. Perhaps you could make arrangements to have those statistics forwarded to us?---A. I believe that would be possible.

Mr SMILES: You appear to be fairly personally involved with the equipment in your school. What is your input into the acquisition of equipment and, more particularly, how do you overview the totality of your school's equipment?---A. To start with, whenever we decide what courses or educational programs need to be put on line to meet an industry need, the course undertaken determines the sort of equipment needed. We determine the courses again from the information we get from industry. That information is collected by people such as the heads of division in my school and myself. We travel extensively throughout the State and other States as well. In that process we would be forming a specification of the type of equipment needed to meet the educational program's needs. We would also be involved in preparing the specification of the machine until after the curriculum has been designed. Again the expertise of the heads of division would be used in this process. They are people who are still teaching in small programs. They are still very much involved in the engineering trades at the grass roots level. We would use teachers who have specific expertise in that area. In some instances, through staff development, we ensure that teachers receive that expertise.

For instance, when we introduced numerical control machining in the engineering trades, we sent one teacher to Japan to allow him to work for six or eight weeks, I think it was, in Japan so that he could get the latest information on training techniques and technologies that were used in that country. When he returned to Australia he designed the course

to meet the needs of industry. He assisted us in writing the specification, and he also worked with us in the head of school unit to evaluate the tender documents when they were submitted to ensure that the tenders met the specifications that we had originally designed.

Q. How was the person selected for that role?---A. We did a sort of quick survey among teaching staff that we had in the fitting and machine section to find out how many people had worked with that new modern technology before they joined TAFE. There were three or four people who were obviously very heavily involved in it who had recently joined the department. We then had a bit of a discussion with them and the officers were selected from that as a result. We had two teachers very heavily involved in it, one of them going to Japan for a short time.

Q. The second concern I have is with regard to how you personally know where the equipment associated with your school is, from technical college to technical college. Do you keep a register within the school?---A. No, I do not. The registers of the equipment are kept at the college. The reason why we know what is at the various colleges is simply through the heads of division and me visiting the colleges throughout the State on a regular basis and evaluating the workshops to ensure that they are still able to deliver the educational programs for which they are being accredited.

Q. So if you had to do a fairly fast job on auditing the equipment above a reasonable level within your school throughout the colleges, you would have to have contact with each individual college?---A. I would.

Q. Mr Cleary, would that be the same for you?---A. (Mr Cleary) Yes. We did start a manual register with the intention of putting it on to computer, but we have not achieved that.

Q. Mr Enderby, how are you placed?---A. (Mr Enderby) In a similar way. The point which has not yet emerged today,

which I think should be made, is that before a college is accredited to run a particular course, it must meet the minimum requirements specified by the head of school. We specify what is required. The principal applying to run that course submits a signed statement saying, "We have the equipment as specified". This is all part of the accreditation procedure. We sometimes go out and verify for ourselves if our instincts tell us that is not true, but for the most part what they say is completely correct.

So there is a statement made by the principal that the college has the minimum equipment set by the head of school in terms of equipment facilities and library facilities and so on. We use that as our starting point. If I can just make a point, returning to a question asked earlier about what we would do if there was a conflict with a principal over lack of equipment, I have said to them, "I can always write to the board of studies and recommend that accreditation for your college to run this course be withdrawn on the basis that you are not satisfying my requirements." That causes them to develop a different point of view from time to time.

Q. Having set up the colleges that are offering courses within your school, how do you assess whether the equipment that has been assigned, on the principle you have enunciated, is in fact being used, if not appropriately then at least in the sense of not wasting resources?--A. We go out and look at it. The heads of division are encouraged to get out and visit around the colleges, and they actually go and see it. They walk around the place and they look. We do in a formal way an operations audit of some colleges. We have

done that more than once. I have sent a group of heads of divisions to look at a particular college. They have come back and given me a report, a copy of which I have sent to the Director-General. We stand on the site and look, and watch classes.

Q. Do you think that the operations audit concept, as opposed to the informal observation audit, has a place? ---A. Yes, but you cannot be too heavy-handed with it because it sometimes has morale-destroying effects. You have to exercise a bit of judgment when you decide whether to have an operations audit.

Q. Ms Lawrence, how would an operations audit work in your school?---A. (Ms Lawrence) From the point of view of equipment?

Q. Yes, measuring equipment usage and thereby enabling you to have an understanding of how effectively and how frequently you have utilized it?---A. Within the school we have ongoing surveys so we know - we almost know - what equipment is in each college, allowing for errors and omissions. We are in a situation where there is a shortage of equipment for our courses, so by going out and physically inspecting them and also knowing what courses are being offered by a college, we can be assured that equipment of the most desirable type is fully utilized.

Q. Is that inspection undertaken on the basis of equipment or is it part and parcel of an overall management liaison-style contact or inspection?---A. We are looking at two things - the equipment and also the capabilities of the staff, and where we need to target our staff development.

I think they are the two main thrusts that we are looking at.

Q. With the mechanism that you described a moment ago, do you have therefore in effect a register of equipment?---A. Not as such. We are trying to put it on a computer at the moment. We have been carrying out these surveys for more than three years but we are finding progressively each year that they do not match up 100 per cent with what we were told the previous year. So we cross-check that with machine houses which supply the equipment. We think we have almost got to the stage where we know - or we are at least more than perhaps 90 per cent or 95 per cent sure what equipment is around the colleges.

Q. Mr Cleary, do you see any use for Mr Enderby's equipment audit in that more formal sense in your school? ---A. (Mr Cleary) At the moment I am rationalizing the operation so that while we are at fifty-six centres, we are trying to reduce the number of centres which provide the full course because we are acknowledging that some of the centres do not completely utilize the equipment. I think we have judged this on the basis of the number of students who are at the colleges. Within the resources we have at the moment to do this, I think that has been the most effective means. It would be ideal to have everything on a computer program.

Q. I am just wondering whether, in terms of the processes described, my suspicion is correct that a more formalized equipment audit would assist you people to have an easily

digested register. Am I right in feeling concern that easy access to a comprehensive register of equipment is not available, and that impinges on your equipment procurement decisions?---A.

(Mr Galvin) Could I add that despite the fact that within the food school we have commenced our register, that information is available and has always been available by heads of schools from college principals who would maintain the register. We could very easily access that. I could certainly access that through college principals, which is what we are undertaking now.

Q. Do you say you are favoured because your school operates in so few technical colleges?-

--A. No, I do not believe so. It is true to say that, compared with some of the other schools in TAFE, we are not a major player in the educational facility game. As I said earlier, the food school this year has offered programs at forty-seven locations. I would add, however, that thirteen of those are in mainline colleges where we have major facilities. I hasten to add an interesting development this year which we will continue to use in our planning; what I would best describe as the provision of multipurpose facilities. I think it is important that I add this at this point. I take a recent example of the Port Macquarie College of TAFE where major food school facilities were opened some six to eight weeks ago. We virtually designed and had constructed a watertight tiled box. In that facility we can teach commercial cookery, retail butchery, pastry cooking, bread manufacturing and a whole host of other trades. That will

give the principal, who will decide upon the ultimate course mix in relation to the local community industry needs, a great deal of flexibility to offer the programs. All of that equipment is on a roll-in roll-out basis. From the food school point of view, and that of the hospitality industry, I believe that will solve many of the future problems.

(Ms Lawrence) Mr Smiles, you are asking, as I understand it, if the college had a register of equipment would it help us in our role as heads of school. That may not necessarily be so because of this multi-use of facilities. If we knew what microcomputers were there, we do not know if mechanical engineering is using them or who is using them.

CHAIRMAN: But you could ring up and find out?---A. You could ring up and find out from the principal, yes.

(Mr Enderby) There is usually no need for us to ring up. What happens is one of our teachers would ring up and say, "We have not been given a fair go in the use of such and such equipment", which is shared. "The principal is favouring such and such a school. Would you do what you can to help us?" This is the way you usually find out; one of your own teaching staff gets on the telephone.

Dr REFSHAUGE: What do you do then?---A. I ring the principal.

Q. You do not talk to one of the other heads?---A. I might do. It depends on the nature of the conversation with the principal. I would check it out first with the principal and see what is going on. Maybe the other school is being favoured. Maybe my bloke has a

grievance. We would make inquiries and get to the bottom of the matter and come up with some form of recommendation.

Q. Does that happen often, that people ring up and say, "I am not getting a fair deal"?---A. It happens. I do not keep a tally of it; I could go back to my desk book at work where I keep records of conversations. We have had a bit of a swap going on in one college in the western suburbs this year and last year. I think it would be incorrect to say it often happens but it does happen.

Q. Who is usually correct? The teacher who rings up or the principal?---A. The principal is responsible for the allocation of resources in his College and also for making the basic decisions.

Q. Sometimes they might need suggestions about how they could do it better?---A. All heads of schools are disposed to act in the public interest at all times.

Mr SMILES: I have one general question that is troubling me. If we are looking at a situation where colleges and your schools are generating courses, and we have, as I have heard a number of times today, the mechanism for industry and the local community to make a contribution, how big is the danger, according to your respective schools, of a new product by way of equipment not being known to the parties involved in that process? Having said that, what opportunity is there for a brand new manufacturer or importer to make contact with your school and say, "You do not offer a course or a subject which has anything to do with my equipment but I reckon you guys should know about it because

my equipment will offer the twenty-first century approach to what you are now doing". Is there no opportunity for that?

---A. (Mr Edwards) I think that goes on all the time. As a new boy I am a challenger, and I want to know what are the needs of the market Place. One of the areas we are addressing is that of microcomputers. For that, there is no job prescription. There is no prescription in the Labour and Industries catalogue of job prescriptions. There is no job prescription advertised in the press for those sort of people, but as a function of knowing the industry and my staff knowing the industry you become aware of all these things. You miss a few, certainly, but because of the professionalism of the group and the professional contact with the industry you have a pretty good idea from reading journals, literature, and from meeting people, of what lies on the horizon. You are attending conferences and listening to colleagues in other States, and industry presentations. So it has to be something that is really way out that you miss. But that charter I had was a brand new sphere. Certainly there is a need. Our market research demonstrated that need without any doubt at all. The industry review panel comes back and says, "Hey, it is about time that an institution started working in some of those practical areas". I think this is the story of TAFE; and as an industry person from outside, only recently having come back into the organization, I can say that TAFE has this reputation of being an organization with its tentacles out, feeling for what the developments are, particularly at the grass roots of technology or commercial practice.

Q. Mr Cleary, is there opportunity for your school to relate like that, or do you have another mechanism for discovery?---A. (Mr Cleary) There are industry equipment exhibitions that are conducted. Last year I went on a tour and

visited nine colleges in North America and I saw them using the equipment provided. I went to the Ford and General-Motors service headquarters in Detroit; the Renault and BMW service headquarters. I went to Auto Mechanico, which was the largest specific automotive equipment exhibition held in the world bi-ennially. Thus I was aware of the equipment that is available on the world market. Because of this new technology course centre development, which is well known within the motor industry, anyone with a new piece of equipment on the market that they want to display to us will normally lend it to us for us to experiment with, to see whether it is effective.

Q. Do you want to say something, Mr Galvin?---A.(Mr Galvin) No, but I would like to add that we do all of that. We do that, apart from our full-time teaching staff and, shall we say, the head teachers, of which there are thirty-three in our staff in the State. The heads of divisions and myself are all members of the advisory board which controls these particular situations in our industry. For example, we are advised and we take part in trade fair associations and planning technology associations and, through that, form a basis that was alluded to earlier. We have kept abreast of those changes. In addition to that, we encourage our local manufacturers in particular to display some of their equipment in the colleges. That has worked very well for a number of years.

Q. Mr Enderby, what is the position in your school with your equipment?---A. (Mr Enderby) As I mentioned earlier, the amount of expenditure per student per year on this is only \$5, very low. We get approaches by salesmen, usually, who come to point out the latest gadget or gizmo or what-have-you that is available. We evaluate the thing and in our office practice

course, for example, it might come into that. We would appreciate it in the same way as the others do, but on a much reduced scale. Our area is more new thoughts, more textbooks, that sort of thing. That is what we keep our eye on more closely; new textbooks, new problems.

CHAIRMAN: You seem to have a fairly strong suit in terms of the purchase of new equipment and in terms of evaluation of technology. But it seems there is a weakness with surplus or redundant equipment. How can we improve that element?---A. (Mr Galvin) From my point of view, I do not think that is a weakness. From time to time I receive surplus equipment from the principal regional director in my office in a list. With the heads of division I review that list. We would communicate where we think that would operate elsewhere in the State and seek to make total use of that equipment. That has happened in a number of cases this year. We make maximum use of the equipment on that basis.

Q. Is that list put out once every term?---A. Generally, I get one twice a year. I could call for one more often, but I get one twice a year.

Dr REFSHAUGE: What benefit will the principal regional director get from letting you know about that surplus equipment being available?---A. The principal may wish to dispose of a piece of equipment and would communicate its availability. In this way we make maximum effective use of it.

Q. But what is the value in the principal alerting you about the availability?---A. Floor space. The area left would be available for alternative use.

Anything other than that?---A.No, indeed not, because in terms of his major plant he will be given an allocation by the department, will make a local decision and, as alluded to earlier, he will follow the standards of departmental procedures.

CHAIRMAN: Could you forward some copies of those lists?---A. The ones we have received? Yes.

Q. The ones you are using twice a year?---A. Yes. They will be ones we have received.

(Mr Enderby) You are concerned about obsolescence. It was mentioned earlier that our courses are thoroughly revised every five years. Of course, they change along the way but if equipment changes in that time it is not specified in the new curriculum or the new course, and the old equipment becomes obsolete.

Q. What do you do with it, what is the mechanism?---A. It is declared obsolete.

Q. In all cases?---A.You had better ask Mr Waalkens.

Q. I would imagine you could take me through some colleges where I could see some obsolete equipment still there?---A. (Mr Waalkens) My school is fairly heavily involved in dealing with redundant equipment and obsolete equipment. As was explained this morning, there is a standard annual procedure for looking at redundant equipment, or particularly equipment that now needs to be replaced because the new piece of equipment that was brought in would need the floor space that the other piece of equipment occupied. The standard document for that is filled in. It is a standard form of recommendation as to what to do with surplus or redundant equipment. That recommendation comes to

me. The recommendation is one such as "condition is fair, suitable for relocation" or "This piece of equipment is beyond economical repair". The principal might well recommend that it be got rid of as scrap or that it be disposed of at public auction. In the School of Engineering Trades this takes place fairly extensively. We relocate a lot of equipment, particularly welding machines where new machines are purchased for a fairly large college. These would be new high technology machines, which might be replacing some of the standard machines that college would feel are redundant. They might be sent to some small country workshop where we teach rural welding and almost nothing else. That sort of equipment is ideal for that. We would relocate that piece of equipment and it would be very usefully employed at that place. But if the principal recommend that a piece of equipment is beyond economical repair I usually seek the advice of my head of division, and if he concurs that the piece of equipment standing in the corner of the workshop is beyond repair it is disposed of in the most economical manner, which is usually at public auction.

Q. Could I put a scenario to you that the heads of schools would be better allocating their time to curriculum development, staff appraisal, thereby forgoing the role that you have in the development and procurement of equipment, with the devolution of that role back into colleges, freeing you from those esoteric and sessional-type tasks?---A. (Mr Cleary) I should like to raise a point on that. Take a simple example. We might put out a specification on a hydraulic floor jack, the normal garage jack. We would specify something of commercial

quality. We will get people tendering on that just say as per specification, but when we contact the supplier we find it is the kind of jack that is sold at a K-Mart, which certainly does not meet the reliability standard and safety aspects or even the height lift of the specification. That is very common. I would say that with most of the tenders we receive the lowest priced unit does not meet anywhere near that specification. It is only our ability to put it in the central spot to check up with that and verify that it does not meet the specification that we are able to exclude it and recommend the soundest unit.

Q. can you get somebody else from the heads of department to do that role?---A. It is not the head of school personally who does that. It is my head of division or my specialist teacher. Those people are expert in that area, in being aware of the latest equipment. A teacher in a country centre does not have an opportunity to attend equipment exhibitions or to have central contact such as we have with equipment suppliers, being able to be aware. Quite often we will have people in a country centre who will say they want a particular piece of equipment. When it comes to us, we write the specification but we find the one they have asked for is out of date. They are not aware of the latest model. What access does the teacher at Moree have to information as regards the most appropriate equipment? In some cases the teacher may be selecting a piece of equipment that has no educational value. I give you an example of the latest wheel aligners, where you just clamp heads on to the wheel and the machine gives you a digital read-out, turn to the left or turn to the right. There is no indication there of the angle that was measured. The teacher may think that this is the state of

the art and that this is what he wants at his college, to be able to show the local townspeople that they have that level. But it does not have the educational value. It does not meet the criteria of the educational program.

Q. Mr Enderby, are you in the same position?---A. (Mr Enderby) I am a bit anxious about that because it could result in a variation of standards other than in the course at the college. One of the things that TAFE prides itself on right now is that a person who does a course in Bandywallop as compared to Sydney Tech gets basically the same course because TAFE is marked at the same standards, and one certificate is as good as another. We do not have a higher standard at one college as against another. But once you get variations in the type of equipment, you lead in to a variation of the standard.

(Mr Edwards) One of the reasons for the existence of the school is to give that professional across-State advice and help, and equipment is very much an integral part of the curriculum. But could I take an example out of New South Wales and talk about the Department of Defence down in Canberra. I was president of an industry association several years ago and was asked to be involved in, I guess, a similar sort of committee to this to look at equipment in the defence arena.

It was quite clear that their buying process of small computers allowed people to go out and buy this, buy that, and buy something else. Then they got to a stage where the member of staff moved and somebody else came into that position and was working with another piece of equipment they had never met before, so they tended to discard that, buy another piece of equipment and leave it behind. Obviously there is a compromise between allowing a degree of autonomy and to speed up some of the purchasing processes versus some consistency of standards and professionalism.

I am sure it is never quite right, but I think the system that does obtain of having a specialist technical group that oversees this throughout the State had a lot of plus points to it - perhaps more plus points than the other way round. I have been a principal of a college ten years prior to going back into industry, and I appreciate the value of going out and buying and purchasing, but the rate at which the technology is changing it is nice to have a centre that is close to equipment that can make that advice go

throughout the State so that the right decision is made.

(Mr Waalkens) One of the things that happened in my school not so long ago was that by having the ability to bulk buy, because I put all the various requisitions for, for argument's sake, lathes for various colleges throughout the State on one big requisition, that became a tender - in one case it was in excess of eighty lathes in one burst - and the competition to win that tender was extremely extensive, and the amount of money we saved the department would have been quite substantial because the price we got those machines for was well below what normally was the going price. So, the bulk buying advantage of having a centralized purchasing system is certainly an economical one.

(The witnesses withdrew)

(The Committee adjourned at 3.33 p.m.)